

GOV  
DOC  
CA2  
SA  
FN  
P711  
1995/1996  
:v.1

UNIVERSITY OF ALBERTA LIBRARY



0 1620 0489 8423

# Public Accounts 1995-96

Volume 1

Main Financial Statements

HSS



# Saskatchewan



EX LIBRIS  
UNIVERSITATIS  
ALBERTÆNSIS

---

## Table of Contents

	Page
Transmittal Letters .....	3
Introduction to the Public Accounts .....	4
Financial Reporting Structure .....	5
Sources of Additional Information .....	6
<b>General Revenue Fund Financial Statements</b>	
Responsibility for General Revenue Fund Financial Statements .....	9
Provincial Auditor's Report .....	11
Statement of Assets, Liabilities, and Accumulated Deficit .....	12
Statement of Revenue, Expenses, and Accumulated Deficit .....	13
Statement of Changes in Cash and Temporary Investments .....	14
Notes to the Financial Statements .....	15
<b>Schedules to the Financial Statements</b>	
Schedule 1 - Accounts Receivable .....	19
Schedule 2 - Loans to Crown Corporations .....	19
Schedule 3 - Other Loans .....	20
Schedule 4 - Accounts Payable and Accrued Liabilities .....	20
Schedule 5 - Other Liabilities .....	21
Schedule 6 - Debt .....	22
Schedule 7 - Summary of Sinking Funds .....	22
Schedule 8 - Debt by Maturity .....	23
Schedule 9 - Guaranteed Debt .....	24
Schedule 10 - Revenue .....	25
Schedule 11 - Loss on Loans and Investments .....	26
Schedule 12 - Net Change in Non-cash Operating Activities .....	26
Schedule 13 - Loan, Investment, and Deposit Activities .....	27
<b>Summary Financial Statements</b>	
Responsibility for the Summary Financial Statements .....	31
Provincial Auditor's Report .....	33
Summary Statement of Assets, Liabilities, and Accumulated Deficit .....	35
Summary Statement of Revenue, Expenses and Accumulated Deficit .....	36
Summary Statement of Changes in Cash and Temporary Investments .....	37
Notes to the Summary Financial Statements .....	38
<b>Schedules to the Summary Financial Statements</b>	
Schedule 1 - Accounts Receivable .....	44
Schedule 2 - Loans Receivable .....	44
Schedule 3 - Investment in Government Enterprises .....	46
Schedule 4 - Other Investments .....	49
Schedule 5 - Accounts Payable and Accrued Liabilities .....	53
Schedule 6 - Other Liabilities .....	53
Schedule 7 - Public Debt .....	54
Schedule 8 - Public Debt by Maturity .....	55
Schedule 9 - Guaranteed Debt .....	56
Schedule 10 - Revenue .....	57
Schedule 11 - Gains and Losses on Loans and Investments .....	58
Schedule 12 - Net Change in Non-cash Operating Activities .....	58
Schedule 13 - Reporting Entity .....	59
<b>General Revenue Fund - Details of Debentures</b> .....	62
<b>Glossary of Terms</b> .....	70



To His Honour  
The Honourable John Wiebe  
Lieutenant Governor of the Province of Saskatchewan

May It Please Your Honour:

The undersigned has the honour to submit herewith the main financial statements of the Government of the Province of Saskatchewan for the fiscal year ended March 31, 1996.

Respectfully submitted,



Janice MacKinnon  
Minister of Finance

Regina, Saskatchewan  
August, 1996

---

The Honourable Janice MacKinnon  
Minister of Finance

We have the honour of presenting herewith the main financial statements of the Government of the Province of Saskatchewan for the fiscal year ended March 31, 1996.

Respectfully submitted,



W. Davern Jones  
Deputy Minister of Finance

Regina, Saskatchewan  
August, 1996



Terry Paton  
Provincial Comptroller

## Introduction to the Public Accounts

The 1995-96 Public Accounts of the Government of Saskatchewan are organized into two reports:

**Volume 1** contains the General Revenue Fund Financial Statements and the Summary Financial Statements. These are the main financial statements of the Government of Saskatchewan.

The General Revenue Fund Financial Statements account for the financial transactions of the General Revenue Fund and the Province of Saskatchewan Sinking Funds. All public money is paid into the General Revenue Fund except where the Legislative Assembly has directed otherwise. The General Revenue Fund is available for appropriation for the public services of Saskatchewan.

The Summary Financial Statements consolidate the financial transactions of the General Revenue Fund, Crown corporations, agencies, boards and commissions. These consolidated statements provide a full accounting of the financial affairs and resources of all entities for which the Government is responsible.

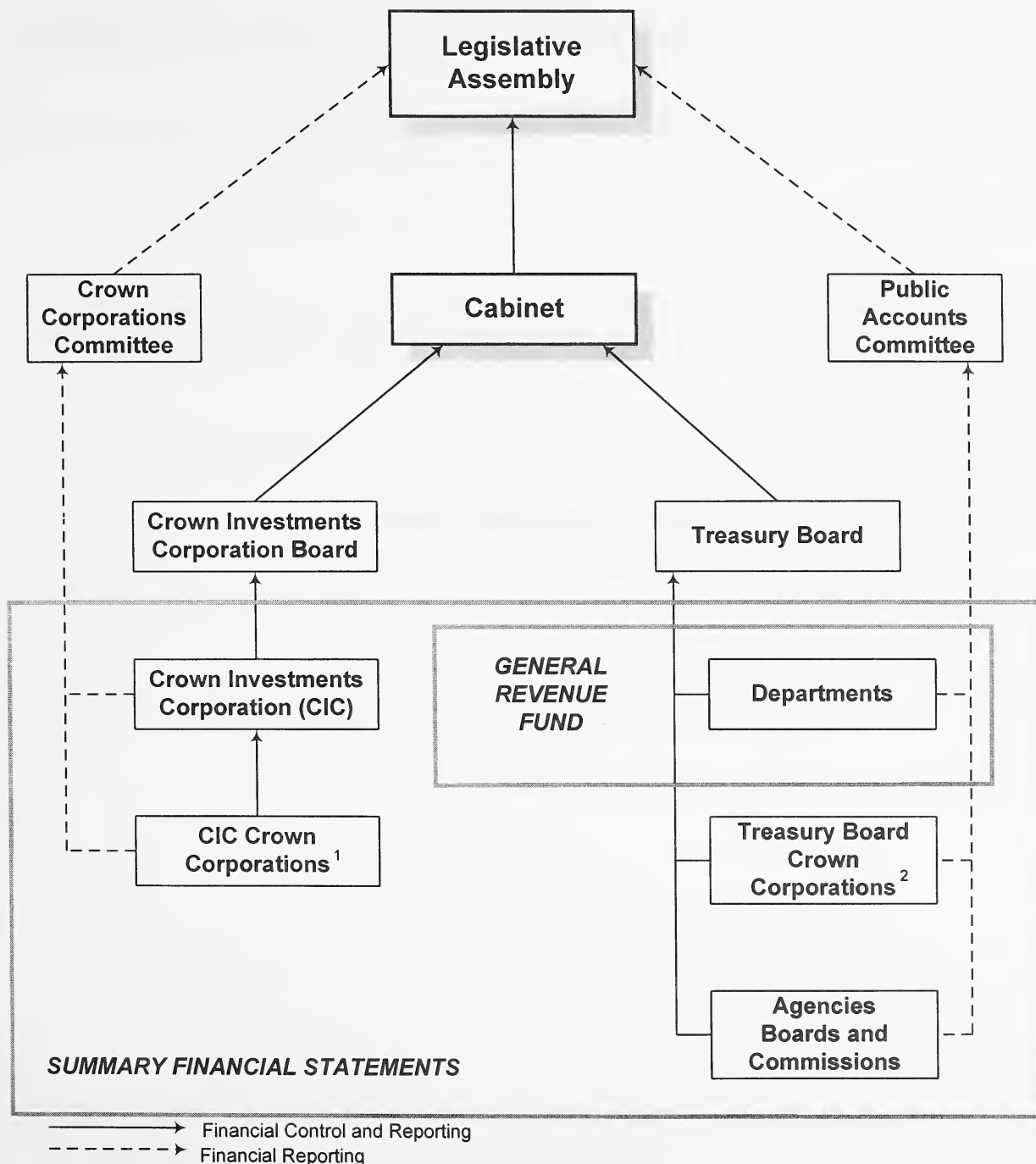
Volume 1 also contains detailed information on public issue debentures and debentures issued to the Minister of Finance of Canada.

**Volume 2** contains the following:

- details on the revenue and expenses of the General Revenue Fund; and,
- other information including financial information on the assets, liabilities and residual balances of superannuation and trust funds administered by the Government, and a listing of remissions of taxes and fees.



## Financial Reporting Structure



<sup>1</sup> Examples of CIC Crown corporations are: SaskEnergy, SaskPower, SaskTel, SGI, and STC.

<sup>2</sup> Examples of Treasury Board Crown corporations are: Agricultural Credit Corporation of Saskatchewan, Saskatchewan Liquor and Gaming Authority, Saskatchewan Crop Insurance Corporation and Saskatchewan Property Management Corporation.

## Sources of Additional Information

### Financial Statements Compendium

This is a two-part report comprised of the financial statements of various government boards, agencies, commissions, superannuation funds, special purpose funds and institutions, as well as Crown corporations which are accountable to the Treasury Board.

### Annual Reports of Saskatchewan Crown Corporations

This is a compendium of the financial reports of Crown corporations that are accountable to the Crown Investments Corporation.

### Budget Address

The Government of Saskatchewan presents a budget each year, usually early in the spring. At this time, a document containing the Budget Address and budget papers is tabled.

### Saskatchewan Estimates

The Government's spending estimates for the year commencing April 1 are presented to the members of the Legislative Assembly following presentation of the Budget Address by the Minister of Finance. The Estimates outline the detailed estimates of revenue, expenses, loans, advances, and investments to the Legislative Assembly for approval in the form of *The Appropriation Act*.

### Province of Saskatchewan Mid-Year Financial Report

This report, released in November, provides an update on the Province's revenue, expenses, and surplus, reflecting economic changes and other developments to the mid-point of the fiscal year. Updates on the Province's economy, loans, investments, and debt are also provided.



**General Revenue Fund  
Financial Statements**



## Responsibility for General Revenue Fund Financial Statements

The Government is responsible for the General Revenue Fund Financial Statements. The Government maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to get reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

The Provincial Comptroller prepares these statements following the Government's stated accounting policies and using the Government's best estimates and judgement where appropriate.


The Provincial Auditor expresses an independent opinion on these statements. His report, stating the scope of his audit and opinion, appears on the following page.

Treasury Board approves the General Revenue Fund Financial Statements. The Minister of Finance tables the statements in the Legislative Assembly as part of the Public Accounts. The Legislative Assembly refers the Public Accounts to the Standing Committee on Public Accounts for review.

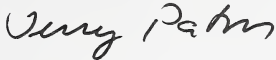
On behalf of the Government of the Province of Saskatchewan.



Janice MacKinnon  
Minister of Finance



W. Davern Jones  
Deputy Minister of Finance



Terry Paton  
Provincial Comptroller

Regina, Saskatchewan  
August, 1996

This page left blank intentionally.

## Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

**These financial statements report transactions and events of the General Revenue Fund only. Significant financial activities of the Government occur outside this Fund. Therefore, readers should not use the General Revenue Fund's financial statements to understand and assess the Government's management of public financial affairs and resources as a whole.**

**Volume 1 of the Public Accounts includes a more complete set of financial statements. Those statements are called the *Summary Financial Statements* of the Government of Saskatchewan. Their purpose is to report the full nature and extent of the financial affairs and resources for which the Government is responsible. Please refer to those summary statements to understand and assess the Government's management of public financial affairs and resources as a whole.**

I have audited the statement of assets, liabilities, and accumulated deficit of the General Revenue Fund as at March 31, 1996 and the statements of revenue, expenses, and accumulated deficit and changes in cash and temporary investments for the year then ended. These financial statements are the responsibility of Treasury Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

### Reservation

The Fund is responsible for the liabilities of several pension funds. Note 5 indicates those pension liabilities are not recorded in these financial statements. In my opinion, pension liabilities should be recorded in the financial statements. Had pension liabilities been recorded, liabilities and accumulated deficit would increase by \$3,428 million (1995 - \$3,320 million) and expenses would increase and surplus for the year would decrease by \$108 million (1995 - expenses would increase and surplus for the year would decrease by \$148 million).

### Opinion

In my opinion, except for the effects of the failure to record pension liabilities as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the General Revenue Fund as at March 31, 1996 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles for the public sector recommended by The Canadian Institute of Chartered Accountants.

Regina, Saskatchewan  
August 9, 1996



W.K. Strelieff, CA  
Provincial Auditor

# General Revenue Fund

## Statement of Assets, Liabilities, and Accumulated Deficit

As at March 31, 1996

		(thousands of dollars)	
Schedule		1996	1995
<b>Assets</b>			
	Cash and temporary investments (note 2).....	\$ 77,442	\$ 50,130
	Prepaid expenses.....	3,433	3,502
1	Accounts receivable.....	436,703	521,254
	Agricultural land held for resale (note 3).....	120,300	122,425
	Deferred charges.....	64,075	70,223
	Deferred foreign exchange loss.....	83,024	112,523
2	Loans to Crown corporations.....	4,937,731	5,150,747
3	Other loans .....	193,597	112,102
	Equity investment in Crown Investments Corporation of Saskatchewan.....	1,447,452	1,447,452
<b>Total Assets</b>		<b>7,363,757</b>	<b>7,590,358</b>
<b>Liabilities</b>			
4	Accounts payable and accrued liabilities .....	1,085,856	1,128,114
5	Other liabilities.....	317,740	591,520
	Unearned revenue.....	59,070	62,972
6 & 8	Debt.....	13,523,144	13,448,253
<b>Total Liabilities</b>		<b>14,985,810</b>	<b>15,230,859</b>
<b>Accumulated Deficit</b>		<b>\$ (7,622,053)</b>	<b>\$ (7,640,501)</b>

(See accompanying notes)

- 9    Guaranteed debt  
      Pension liabilities, contingencies, and commitments  
      (notes 4, 8, and 9)



# General Revenue Fund

## Statement of Revenue, Expenses, and Accumulated Deficit

For the Year Ended March 31, 1996

Schedule	(thousands of dollars)		
	Budget 1996	Actual 1996	Actual 1995
<b>Revenue</b>			
10 Taxation.....	\$ 2,671,700	\$ 2,850,082	\$ 2,635,043
10 Transfers from the federal government .....	1,384,400	974,887	1,297,007
10 Non-renewable resources .....	523,400	673,334	717,737
10 Transfers from Government entities.....	307,500	349,917	294,870
10 Other revenue.....	278,200	283,598	280,705
<b>Total Revenue</b>	<b>5,165,200</b>	<b>5,131,818</b>	<b>5,225,362</b>
<b>Expenses</b>			
Agriculture and Food.....	306,609	222,262	304,265
Economic Development.....	38,114	46,973	35,306
Education, Training, and Employment.....	880,666	868,988	902,321
Energy and Mines.....	17,502	25,199	16,662
Environment and Resource Management.....	94,578	162,512	93,867
Executive Council.....	7,730	13,080	7,782
Finance .....	154,760	169,034	155,112
Finance - Servicing the Debt (note 6).....	872,800	848,977	881,581
Health.....	1,560,581	1,554,812	1,533,901
Highways and Transportation.....	168,059	169,482	177,578
Indian and Metis Affairs Secretariat .....	25,127	25,419	24,806
Intergovernmental Relations .....	7,584	8,054	7,387
Justice.....	175,447	177,670	172,595
Labour.....	9,955	10,026	9,908
Legislation.....	16,259	14,758	15,559
Municipal Government.....	198,038	192,442	181,302
New Careers Corporation.....	9,545	9,545	9,433
Provincial Auditor.....	4,377	4,377	3,815
Public Service Commission.....	6,889	6,826	6,377
Saskatchewan Infrastructure Program.....	26,104	21,167	6,191
Saskatchewan Municipal Board.....	772	776	755
Saskatchewan Property Management Corporation.....	10,298	9,548	10,298
Saskatchewan Research Council.....	7,886	7,886	7,386
Saskatchewan Water Corporation.....	7,205	7,011	5,192
Social Services.....	532,989	535,615	526,712
Women's Secretariat.....	975	931	874
<b>Total Expenses (note 7)</b>	<b>5,140,849</b>	<b>5,113,370</b>	<b>5,096,965</b>
<b>Surplus for the Year.....</b>	<b>24,351</b>	<b>18,448</b>	<b>128,397</b>
<b>Accumulated deficit, beginning of year.....</b>	<b>(7,640,501)</b>	<b>(7,640,501)</b>	<b>(7,768,898)</b>
<b>Accumulated Deficit, End of Year (note 5)</b>	<b>\$ (7,616,150)</b>	<b>\$ (7,622,053)</b>	<b>\$ (7,640,501)</b>

(See accompanying notes)

# General Revenue Fund

## Statement of Changes in Cash and Temporary Investments

For the Year Ended March 31, 1996

		(thousands of dollars)	
Schedule		1996	1995
<b>Operating Activities</b>			
	Surplus for the year.....	\$ 18,448	\$ 128,397
	Add (deduct) non-cash items		
	Amortization of foreign exchange gains and losses.....	(7,196)	(5,344)
11	Loss on loans and investments.....	1,278	1,101
12	Net change in non-cash operating activities .....	44,619	(155,009)
	Sinking fund earnings retained in sinking funds.....	(10,226)	(7,080)
<b>Cash Provided by (Used for) Operating Activities</b>		<b>46,923</b>	<b>(37,935)</b>
<b>Loan, Investment, and Deposit Activities</b>			
13	Receipts.....	1,067,074	995,696
13	Disbursements.....	1,304,802	686,304
<b>Cash Provided by (Used for) Loan, Investment, and Deposit Activities</b>		<b>(237,728)</b>	<b>309,392</b>
<b>Changes in Cash Before Financing Activities</b>		<b>(190,805)</b>	<b>271,457</b>
<b>Financing Activities</b>			
	Proceeds from debt.....	1,069,125	1,717,964
	Repayment of debt.....	851,008	2,099,458
<b>Cash Provided by (Used for) Financing Activities</b>		<b>218,117</b>	<b>(381,494)</b>
<b>Net increase (decrease) in Cash and Temporary Investments.....</b>		<b>27,312</b>	<b>(110,037)</b>
<b>Cash and temporary investments, beginning of year.....</b>		<b>50,130</b>	<b>160,167</b>
<b>Cash and Temporary Investments, End of Year</b>		<b>\$ 77,442</b>	<b>\$ 50,130</b>

(See accompanying notes)

# General Revenue Fund

## Notes to the Financial Statements

For the Year Ended March 31, 1996

### 1. Significant Accounting Policies

These financial statements are prepared using accounting principles appropriate for government and reflect the following significant accounting policies:

#### a) Reporting entity

These statements combine transactions of the General Revenue Fund and the Province of Saskatchewan Sinking Funds. The General Revenue Fund is the general fund which receives all revenues unless otherwise specified by law. Spending from the General Revenue Fund is appropriated by the Legislative Assembly.

These statements do not account for all financial affairs of the Saskatchewan Government. Other government entities such as special purpose funds, Crown corporations, and other agencies, report separately in other financial statements. Only financial transactions to or from these other entities are included in the General Revenue Fund. The net expenses/recoveries for revolving fund operations are charged to expense, and loans to third parties by revolving funds are reported as Other loans.

Summary financial statements which include the financial activities of the General Revenue Fund and other government entities (special purpose funds, Crown corporations, and other agencies) are provided separately.

#### b) Basis of accounting

The accrual basis of accounting is used and specifically expressed as follows:

##### Revenue

Revenue is recorded on the accrual basis except for payments from the federal government for corporate and personal income taxes, which are recorded on the cash basis.

##### Expenses

Expenses are recorded on the accrual basis and include the cost of capital property and inventories of supplies received during the year.

##### Assets

Reported assets are those assets on hand at the end of an accounting period which could provide resources to discharge existing liabilities or finance future operations.

*Temporary investments* are recorded at the lower of cost or market.

*Agricultural land held for resale* is valued at the lower of cost or net realizable value, on an aggregate basis.

*Deferred charges* include issue costs and net discounts or premiums incurred on the issue of long-term debt. They are recorded at cost and amortized on a straight line basis over the remaining life of the debt issue.

*Deferred foreign exchange loss* includes unrealized foreign exchange gains and losses resulting from conversion of

foreign debt, issued for general government purposes, to the Canadian dollar equivalent at March 31.

*Loans to Crown corporations* and *Other loans* generally have fixed repayment terms and are interest bearing. Short-term loans to Crown corporations are recorded at par; all other loans are recorded at cost. Interest received on these loans is netted against interest paid on money borrowed for these loans.

The *Equity investment in Crown Investments Corporation of Saskatchewan* has no fixed repayment terms, is non-interest bearing, and is carried at cost.

Loans and equity investments are written down to their net realizable value.

*Capital property* is expensed in the period acquired.

#### Liabilities

Reported liabilities include financial obligations to outside organizations and individuals as a result of transactions and events occurring prior to year end. They are the result of contracts, agreements and legislative provisions which require the General Revenue Fund to repay borrowings or to pay for goods and services acquired or provided prior to year end.

*Debt* is issued for general government purposes and for Crown corporations. All debt is carried at par. Premiums, discounts, and issue costs incurred on debt issued for general government purposes are recorded as deferred charges and amortized on a straight line basis over the remaining life of the debt issue.

Foreign currencies are converted to the Canadian dollar equivalent at the exchange rate in effect at March 31. For debt issued for general government purposes, realized foreign exchange gains or losses are included in servicing the debt. Unrealized foreign exchange gains and losses are amortized on a straight line basis over the remaining life of the debt issue.

Certain debenture issues require payments into a sinking fund. The General Revenue Fund is reimbursed by Crown corporations and others for all sinking fund payments made on debt incurred on their behalf.

Interest, discounts, premiums and commissions on money borrowed for Crown corporations and others are netted against reimbursements by these entities.

The *Pension liabilities* are not recorded in the financial statements. The General Revenue Fund accounts for pension payments on a cash basis.

*Guaranteed debt* includes guarantees of the Government made through specific agreements or legislation. Loss provisions on guaranteed debt are recorded when it is likely that a loss will occur. The amount of the loss provision represents Government's best estimate of future payments less recoveries. The loss provision is recorded as a liability and an expense in the year determined and is adjusted as necessary to ensure it equals the expected payout of the guarantee.



## General Revenue Fund

### Notes to the Financial Statements

#### 2. Cash and Temporary Investments

The market value of cash and temporary investments is \$77.5 million (1995 - \$50.9 million). Temporary investments include investments in securities of other governments of \$30.8 million (1995 - \$36.1 million).

#### 3. Agricultural land held for resale

The estimated net realizable value of the agricultural land held for resale at March 31, 1996 is \$209.0 million.

#### 4. Pension Liabilities

The Government of Saskatchewan sponsors several contributory defined benefit pension plans for a significant number of its employees and for members of the Legislative Assembly. These plans along with the Public Employees (Government Contributory) Annuity Fund, an annuity underwriting operation, are included in the following table. The defined benefit plans, except for the Judges of the Provincial Court Superannuation Plan (Judges), are closed membership pension plans. There are 12,593 active members and 13,085 superannuates in these defined benefit pension plans.

Defined benefit pension plans provide pensions based on length of service and pensionable earnings. A typical plan

provides pensions equal to 2 per cent of a member's average five years highest salary, multiplied by the years of service to a maximum of 35 years. Pensions are integrated with the Canada Pension Plan. The Teachers' Superannuation Plan (TSP) provides for inflation protection equal to 80 per cent of the annual increase in the Consumer Price Index. The other plans provide inflation indexing at the discretion of the Lieutenant Governor in Council. For the year ended March 31, 1996, total benefit payments were \$250.3 million (1995 - \$227.9 million).

Members contribute at rates that range from 5 per cent to 9 per cent of their salary. Contribution rates are integrated with the Canada Pension Plan. The Government is required to match member contributions in respect of current year's service for all plans, except for the Public Service Superannuation Plan (PSSP) and Judges. For the year ended March 31, 1996, total contributions for current year's service were \$147.9 million (1995 - \$149.9 million).

A separate pension fund is not maintained for PSSP. The Government uses member contributions to finance its operations in return for the promise to meet all pension obligations arising from PSSP. Separate pension funds are maintained for the other plans. Contributions are deposited in separate funds and benefits to plan members are payable from them. Pension fund assets are invested primarily in bonds and equities.

The unfunded pension liabilities are as follows:

(thousands of dollars)							
Plan Name	Actuarial Valuation Date	Accrued Benefit Obligation	Pension Fund Assets	1996		1995	
				Net Obligation	Unamortized Estimation Adjustments	Pension Liabilities	Pension Liabilities
Teachers' Superannuation Plan . . . . .	Jun. 30/93	\$ 3,242,000	\$ 1,141,000	\$ 2,101,000	\$ 111,707	\$ 2,212,707	\$ 2,137,775
Public Service Superannuation Plan . . . . .	Mar. 31/94	1,153,683	—	1,153,683	7,922	1,161,605	1,127,267
Members of the Legislative Assembly Superannuation Plan . . . . .	Dec. 31/95	26,615	—	26,615	(2,928)	23,687	24,527
Judges of the Provincial Court Superannuation Plan	Mar. 31/94	21,874	5,965	15,909	1,907	17,816	17,878
Saskatchewan Transportation Company Employees Superannuation Plan . . . . .	Mar. 31/94	23,802	18,093	5,709	(167)	5,542	6,689
Anti-TB League Employees Superannuation Plan . . . . .	Mar. 31/94	6,176	1,767	4,409	(42)	4,367	4,214
Public Employees (Government Contributory) Annuity Fund . . . . .	Mar. 31/96	44,699	42,803	1,896	—	1,896	2,088
<b>Total</b>		<b>\$ 4,518,849</b>	<b>\$ 1,209,628</b>	<b>\$ 3,309,221</b>	<b>\$ 118,399</b>	<b>\$ 3,427,620</b>	<b>\$ 3,320,438</b>

## General Revenue Fund Notes to the Financial Statements

At March 31, 1996, a liability of \$125 million (1995 - \$115 million), that relates to the TSP disability provision, is included in the TSP liability.

The pension liabilities are not recorded in the financial statements. The General Revenue Fund accounts for pension payments on a cash basis.

Actuarial valuations are performed at least triennially using the projected benefit method prorated on services. These valuations are extrapolated by an actuary when a valuation is not performed in the current fiscal year. Actuarial valuations are based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions reflect the Government's best estimates of expected long-term rates and short-term forecasts. The expected long-term inflation rate is 4.5 per cent.

The valuation of pension fund assets is based on actual market values averaged over a five year period. In the periods between valuations, the value of pension fund assets is determined using expected long-term rates of return.

The Government is also a sponsor of the Public Employees (Government Contributory) Superannuation Plan (PESP). PESP is a multi-employer contributory defined contribution pension plan. There are 18,814 active members contributing to this plan. Members make contributions at a rate of 5 per cent of their salary. Employers are required to match member contributions in respect of current year's service. The Government has fully funded its share of contributions to PESP.

### 5. Reserves

The accumulated deficit of \$7,622.1 million consists of an unallocated deficit component of \$7,634.0 million and the Environmental Protection Reserve of \$11.9 million. The Environmental Protection Reserve was created to provide contingency funding to mitigate unforeseen environmental problems related to uranium milling. The reserve is maintained at its March 31, 1992 balance.

During the year, the Energy Security Reserve was wound-up and its assets were made available for General Revenue Fund purposes.

### 6. Debt Servicing Costs

	(thousands of dollars)	
	1996	1995
Total interest costs	\$ 1,350,154	\$ 1,428,891
Less interest reimbursed from Crown corporations and others	(506,705)	(552,698)
Other costs	5,528	5,388
<b>Total Debt Servicing Costs</b>	<b>\$ 848,977</b>	<b>\$ 881,581</b>

### 7. Expenses by Function and by Object

Expenses by function are reported as follows:

	(thousands of dollars)	
	1996	1995
Agriculture	\$ 226,409	\$ 306,096
Community development	121,464	121,761
Debt charges	848,977	881,581
Economic development	85,094	64,346
Education	880,010	901,902
Environment and natural resources	160,482	93,269
Health	1,554,812	1,533,901
Protection of persons and property	190,539	183,790
Social services and assistance	586,680	575,848
Transportation	229,057	222,441
Other	229,846	212,030
<b>Total Expenses</b>	<b>\$ 5,113,370</b>	<b>\$5,096,965</b>

Expenses by object are reported as follows:

	(thousands of dollars)	
	1996	1995
Personal services	\$ 404,498	\$ 416,429
Travel	30,980	32,771
Transfers:		
Government entities	963,681	1,056,156
Other	2,149,894	2,049,861
Supplier payments	556,828	517,354
Other	158,512	142,813
Debt charges	848,977	881,581
<b>Total Expenses</b>	<b>\$ 5,113,370</b>	<b>\$ 5,096,965</b>

### 8. Contingencies

#### a) Guaranteed debt

At March 31, 1996, \$663.2 million (1995 - \$725.5 million) in loans were guaranteed by the Minister of Finance. Schedule 9 provides a listing of guaranteed debt.

#### b) Lawsuits

Up to \$10.5 million may be paid, depending on the outcome of lawsuits in progress.

#### c) Crop insurance liability

If the deficit in the Crop Reinsurance Fund of Saskatchewan cannot be recovered from future premiums the General Revenue Fund is required to pay these deficiencies. At year end, the deficiency of the Crop Reinsurance Fund of Saskatchewan was \$136.5 million (1995 - \$137.3 million).



## General Revenue Fund

### Notes to the Financial Statements

Repayment of this amount depends on future premiums exceeding future claims. The Crop Insurance Program is intended to break even over time.

#### d) Indian and Northern Affairs Canada

The Government pays for certain social services provided to status Indians and submits claims to the federal government for the cost of these services. The Government believes these costs are the responsibility of the federal government and believes they are fully reimbursable. However, the federal government denies responsibility for a portion of these costs.

The Government is unable to determine whether or not the outstanding amounts will be reimbursed. The Government will account for any recovery resulting from the resolution of this contingency at the time of settlement. No provision for such a recovery has been made in these financial statements.

### 9. Commitments

Major financial commitments include:

- treaty land entitlement agreement commitments valued at approximately \$202.2 million. Up to \$107.3 million will be due and payable over 12 years, up to \$75.7 million will be due and payable over 11 years, and up to \$19.2 million for rural municipality and school division tax loss compensation will be due and payable as land transfers achieve reserve status over the course of the agreements;
- research and development projects for new agriculture technology and opportunities in the agri-food industry, \$27.4 million payable over the next five years;
- Cumberland House Development Agreement, \$5.8 million payable over the next three years;
- Weyerhaeuser Canada Ltd. Agreement for road maintenance and construction, term indefinite, five year estimate of commitment, \$14.6 million;
- NorSask Forest Products Ltd. Agreement for road reconstruction, term indefinite, five year estimate of commitment, \$14.2 million;
- an agreement with Atomic Energy of Canada Limited (AECL) for cooperation in the development and implementation of initiatives related to the Saskatchewan energy sector, commits up to \$2.0 million, on a matching basis, to December 31, 1996;
- capital grant projects, payable over the next four years, \$80.4 million;
- contracts for highway improvement, \$10.6 million;
- computer service agreements, \$21.7 million over four years; and,
- projects from participation in the Canada-Saskatchewan Infrastructure Works Program, \$17.6 million over two years.

### 10. Related Party Transactions

Included in these financial statements are revenue and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown controlled corporations and agencies with which the General Revenue Fund is related.

Account balances resulting from these transactions are included in the balance sheet and are settled on normal trade terms.

Approximately \$89.0 million of transactions between government departments and Saskatchewan Property Management Corporation were carried on during the year.

### 11. Trust Funds

Fund balances held and administered by the General Revenue Fund at March 31, 1996, were as follows:

	(thousands of dollars)	
	1996	1995
Superannuation funds and pension plans*	\$ 3,261,844	\$ 2,826,694
Public Trustee's Trust Account	104,189	95,855
Other trusts**	10,052	10,151
Total	\$ 3,376,085	\$ 2,932,700

\* The balance reflects the latest financial statements of the funds and plans closest to March 31, 1996.

\*\* Includes other trusts under \$10 million.

### 12. Comparative Figures

Certain of the 1995 figures have been reclassified to conform with the current year presentation. With regard to revenue and expenses, the figures are reported on the same basis as the Estimates for the prior year.

### 13. Debt Reduction Account

This account was established pursuant to *The Balanced Budget Act*. The Debt Reduction Account is an accounting of the accumulated surpluses of the General Revenue Fund commencing April 1, 1995.

	(thousands of dollars)	
	Budget	Actual
Debt Reduction Account, beginning of year	\$ -	\$ -
Reduction in Accumulated Deficit for the year	24,351	18,448
Debt Reduction Account, End of Year	\$ 24,351	\$ 18,448



# General Revenue Fund

## Schedules to the Financial Statements

For the Year Ended March 31, 1996

### Schedule 1 - Accounts Receivable

	(thousands of dollars)	
	1996	1995
Taxation .....	\$ 141,984	\$ 119,993
Transfers from the federal government.....	60,413	61,253
Non-renewable resources.....	133,701	85,594
Transfers from Government entities		
Saskatchewan Crop Insurance Corporation.....	8,754	193,551
Other.....	2,288	3,327
Other revenue.....	69,273	63,238
Other accounts receivable*.....	47,375	22,287
	463,788	549,243
Less: Provisions for losses.....	27,085	27,989
<b>Total Accounts Receivable</b>	<b>\$ 436,703</b>	<b>\$ 521,254</b>

\*Other accounts receivable includes \$25.7 million due from related parties (1995 - \$1.5 million).

### Schedule 2 - Loans to Crown Corporations

	(thousands of dollars)	
	1996	1995
<b>Short-term Loans</b>		
Agricultural Credit Corporation of Saskatchewan.....	\$ 2,785	\$ 97,861
Crown Investments Corporation of Saskatchewan.....	-	261,195
Saskatchewan Crop Insurance Corporation.....	21,922	-
Saskatchewan Gaming Corporation.....	-	797
Saskatchewan Opportunities Corporation.....	53,726	4,692
Saskatchewan Power Corporation.....	83,000	147,375
Saskatchewan Telecommunications.....	28,000	15,624
SaskEnergy Incorporated.....	17,100	89,150
<b>Total Short-term Loans</b>	<b>206,533</b>	<b>616,694</b>

	Principal Outstanding	Less Sinking Fund Equity		
<b>Long-term Loans</b>				
Agricultural Credit Corporation of Saskatchewan.....	\$ 289,971	\$ -	289,971	281,392
Crown Investments Corporation of Saskatchewan.....	793,434	-	793,434	697,291
Municipal Financing Corporation of Saskatchewan.....	79,667	-	79,667	79,667
Saskatchewan Crop Insurance Corporation.....	142,734	-	142,734	169,025
Saskatchewan Housing Corporation.....	287,304	-	287,304	287,304
Saskatchewan Power Corporation.....	2,269,762	241,414	2,028,348	1,982,539
Saskatchewan Telecommunications.....	510,736	109,437	401,299	481,060
Saskatchewan Water Corporation.....	22,830	1,482	21,348	14,926
SaskEnergy Incorporated.....	728,149	21,197	706,952	560,708
<b>Total Long-term Loans</b>	<b>\$ 5,124,587</b>	<b>\$ 373,530</b>	<b>4,751,057</b>	<b>4,553,912</b>
Less: Provision for Loss			19,859	19,859
<b>Total Loans to Crown Corporations</b>			<b>\$ 4,937,731</b>	<b>\$ 5,150,747</b>

## General Revenue Fund Schedules to the Financial Statements

### Schedule 3 - Other Loans

(thousands of dollars)				
	1996		1995	
<b>Agriculture and Food</b>				
Crop Sector Companion Program*	\$ 75,745		\$ -	
<b>Economic Development</b>				
Economic Development Loans	\$ 8,638		\$ 9,932	
Less: Provision for Loss	4,884	3,754	4,928	5,004
Hudson Bay Mining and Smelting Co. Ltd.		7,799		7,799
Small Business Loans Association	5,865			
Less: Provision for Loss	1,913	3,952		-
<b>Education, Training and Employment</b>				
Student Loan Program		94,767		90,567
<b>Finance</b>				
Treasury Advances		1,411		1,357
<b>Municipal Government</b>				
Agricultural Service Centres Agreement - Shareable		1,278		1,609
<b>Saskatchewan Municipal Board</b>				
Municipalities - Union Hospital Debt		3,102		4,186
Other		1,789		1,580
<b>Total Other Loans</b>	<b>\$ 193,597</b>		<b>\$ 112,102</b>	

\* on deposit with the Federal government

### Schedule 4 - Accounts Payable and Accrued Liabilities

(thousands of dollars)			
	1996		1995
Personal services	\$ 34,573	\$ 18,368	
Travel	3,179	3,430	
Transfers	364,962	506,733	
Supplier payments	60,736	78,437	
Accrued interest	264,294	275,785	
Transfers payable to the federal government	250,784	158,458	
Other accounts payable and accrued liabilities	107,328	86,903	
<b>Total Accounts Payable and Accrued Liabilities*</b>	<b>\$ 1,085,856</b>	<b>\$ 1,128,114</b>	

\*Total includes \$40.5 million payable to related parties (1995 - \$178.5 million of which \$110.5 million was payable to the Saskatchewan Crop Insurance Corporation) and \$252.9 million payable to the federal government (1995 - \$172.6 million).

## General Revenue Fund

### Schedules to the Financial Statements

#### Schedule 5 - Other Liabilities

	(thousands of dollars)	
	1996	1995
Funds held on behalf of Government entities and others		
Agri-Food Innovation Fund.....	\$ 28,306	\$ -
Beef Development Plan.....	2,130	2,236
Cattle Marketing Deductions Fund.....	670	1,286
Fish and Wildlife Development Fund.....	2,886	2,428
Liquor and Gaming Authority.....	197,428	241,001
New Careers Corporation.....	3,715	3,680
Oil and Gas Environmental Fund.....	2,098	1,966
Public Employees' Dental Fund .....	1,848	3,535
Public Employees' Superannuation Fund.....	993	1,234
Public Trustee's Trust Account.....	3,780	3,065
Queen's Bench Court Accounts.....	7,296	7,230
Saskatchewan Crop Insurance Corporation.....	23,920	293,383
Saskatchewan Grain Car Corporation-Operating.....	4,074	3,134
Southeast Regional College .....	560	735
Student Aid Fund-General.....	18,765	9,245
Victims' Fund.....	5,011	5,937
Other.....	10,996	10,046
Conditional Receipts.....	3,264	1,379
<b>Total Other Liabilities</b>	<b>\$ 317,740</b>	<b>\$ 591,520</b>

## General Revenue Fund Schedules to the Financial Statements

### Schedule 6 - Debt

(thousands of dollars)					
	1996			1995	
	Promissory Notes	Debentures	Less Sinking Funds*	Debt	Debt
<b>Crown Corporation Purposes</b>					
Agricultural Credit Corporation of Saskatchewan.....	\$ 2,785	\$ 289,971	- \$	292,756	\$ 379,253
Crown Investments Corporation of Saskatchewan.....	-	793,434	-	793,434	958,486
Municipal Financing Corporation of Saskatchewan.....	-	79,667	-	79,667	79,667
Saskatchewan Crop Insurance Corporation.....	71,935	92,721	-	164,656	169,025
Saskatchewan Gaming Corporation.....	-	-	-	-	797
Saskatchewan Housing Corporation.....	-	287,304	-	287,304	287,304
Saskatchewan Opportunities Corporation.....	53,726	-	-	53,726	4,692
Saskatchewan Power Corporation.....	83,000	2,269,762	241,414	2,111,348	2,129,914
Saskatchewan Telecommunications.....	28,000	510,736	109,437	429,299	496,684
Saskatchewan Water Corporation.....	-	22,830	1,482	21,348	14,926
SaskEnergy Incorporated.....	17,100	728,149	21,197	724,052	649,858
<b>Total Crown Corporation Purposes</b>	<b>256,546</b>	<b>5,074,574</b>	<b>373,530</b>	<b>4,957,590</b>	<b>5,170,606</b>
<b>General Government Purposes</b>	-	8,707,361	141,807	8,565,554	8,277,647
<b>Debt**</b>	<b>\$ 256,546</b>	<b>\$ 13,781,935</b>	<b>\$ 515,337</b>	<b>\$ 13,523,144</b>	<b>\$ 13,448,253</b>

Debt repayable in foreign currency has been restated in Canadian dollar equivalents.

\* See Schedule 7 for information on sinking funds.

\*\* See Schedule 8 for information on debt by maturity.

### Schedule 7 - Summary of Sinking Funds

(thousands of dollars)				
	1996			1995
	General Government Purposes	Crown Corporations' Share	Total	Total
Balance, beginning of year.....	\$ 103,823	\$ 331,082	\$ 434,905	\$ 383,421
Contributions made during the year.....	38,503	17,742	56,245	49,197
Earnings in the year.....	10,336	29,755	40,091	35,704
	152,662	378,579	531,241	468,322
Deduct: Funds applied on redemption.....	10,855	5,049	15,904	33,417
<b>Balance, End of Year</b>	<b>\$ 141,807</b>	<b>\$ 373,530</b>	<b>\$ 515,337</b>	<b>\$ 434,905</b>



# General Revenue Fund

## Schedules to the Financial Statements

### Schedule 8 - Debt by Maturity

Year of Maturity	(thousand of dollars)					
	1996		1995			
	Canadian Dollar Debt	U. S. Dollar Debt (CDN \$)	Total (CDN \$)	Average Interest Rate	Total (CDN \$)	Average Interest Rate
1995-96.....	\$ -	\$ -	\$ -	-	\$ 829,134	11%
1996-97.....	1,508,411	-	1,508,411	8.63%	1,252,843	9.31%
1997-98.....	671,186	-	671,186	8.79%	680,946	8.76%
1998-99.....	1,097,719	-	1,097,719	9.37%	978,517	9.56%
1999-2000.....	1,290,502	-	1,290,502	8.48%	1,180,846	8.66%
2000-2001.....	1,424,149	-	1,424,149	10.52%	-	-
<b>1 - 5 years</b>	<b>5,991,967</b>	<b>-</b>	<b>5,991,967</b>		<b>4,922,286</b>	
6-10 years.....	3,618,831	68,160	3,686,991	9.99%	4,538,357	10.39%
11-15 years.....	858,679	278,093	1,136,772	9.24%	1,230,631	9.26%
16-20 years.....	737,951	954,240	1,692,191	8.78%	1,807,537	8.87%
21-25 years.....	-	681,600	681,600	9.28%	147	5.13%
26-30 years.....	440,000	408,960	848,960	8.90%	1,384,200	9.10%
	<b>\$ 11,647,428</b>	<b>\$ 2,391,053</b>	<b>14,038,481</b>		<b>13,883,158</b>	
Less: Sinking funds			<b>515,337</b>		<b>434,905</b>	
<b>Debt</b>			<b>\$ 13,523,144</b>		<b>\$ 13,448,253</b>	

The debentures in U.S. dollars have been converted to Canadian dollars at the exchange rate in effect at March 31, 1996 (1.3632) and March 31, 1995 (1.3990).

Debt includes Canada Pension Plan debentures of \$1,587.5 million (1995 - \$1,650.1 million) at a weighted average interest rate of 11.174 per cent, ranging from 8.73 per cent to 17.51 percent. \$65.3 million of this amount is payable within one year. These debentures are redeemable in whole or in part before maturity, on six months prior notice, at the option of the Minister of Finance of Canada.

Included in debt are the following amounts:

- debentures totalling 22.5 billion yen (1995 - 37.0 billion) which have been fully hedged to \$241.3 million Canadian (1995 - \$356.3 million).
- debentures totalling 550 million U.S. dollars (1995 - 560 million) which have been fully hedged to \$744.9 million Canadian (1995 - \$756.6 million).
- debentures totalling 900.0 million Deutschmarks (1995 - 900.0 million) which have been fully hedged to \$616.6 million Canadian (1995 - \$616.6 million).
- debentures totalling 650.0 million Swiss francs (1995 - 650.0 million) which have been fully hedged to \$478.9 million Canadian (1995 - \$478.9 million).

## General Revenue Fund Schedules to the Financial Statements

### Schedule 9 - Guaranteed Debt

	(thousands of dollars)	
	1996	1995
<b>Crown Corporations</b>		
The Municipal Financing Corporation Act		
Guaranteed debentures.....	\$ 10,000	\$ 13,000
The Power Corporation Act		
National Trust Company.....	19,983	21,237
Manalta Coal Ltd.*.....	34,202	35,531
Saskatchewan Power savings bonds		
Series I - series VII (matured).....	311	2,773
The Saskatchewan Development Fund Act		
Guaranteed investments.....	2,611	2,681
The Saskatchewan Telecommunications Act		
Telebonds - series I (matured).....	478	1,894
Telebonds - series II.....	34,423	34,815
<b>Total Crown Corporations</b>	<b>102,008</b>	<b>111,931</b>
<b>Other</b>		
The Agricultural Societies Act		
Loans to exhibition associations.....	637	628
The Community Bonds Act.....	8,067	13,091
The Farm Financial Stability Act		
Breeder associations loan guarantees .....	19,126	17,450
Feeder associations loan guarantees.....	26,841	25,959
The Government Organization Act		
The Saskatchewan Roughriders Football Club.....	725	165
The Department of Highways and Transportation Act.....	436	371
The Housing and Special-care Homes Act		
Senior citizens' housing.....	550	655
The Industry and Commerce Development Act		
Saskferco Products Inc.....	292,543	323,169
The NewGrade Energy Inc. Act		
NewGrade Energy Inc.....	212,287	232,080
<b>Total Other</b>	<b>561,212</b>	<b>613,568</b>
<b>Total Guaranteed Debt **</b>	<b>\$ 663,220</b>	<b>\$ 725,499</b>

In addition to the amount shown, there is a contingent liability for interest accrued on certain of these items. For more information on pension liabilities, contingencies, and commitments, see Notes 4, 8, and 9.

\* The amount is net of \$10.8 million which is Manalta's equity in the sinking fund administered by the Minister of Finance (1995 - \$9.5 million).

\*\* Total guaranteed debt is net of a loss provision of \$6.1 million (1995 - \$4.4 million).



# General Revenue Fund

## Schedules to the Financial Statements

### Schedule 10 - Revenue

	(thousands of dollars)		
	Budget 1996	Actual 1996	Actual 1995
<b>Taxation</b>			
Corporation capital.....	\$ 204,900	\$ 221,169	\$ 196,633
Corporation income.....	154,900	237,830	161,866
Fuel.....	335,800	340,729	331,628
Individual income.....	1,054,700	1,111,444	1,057,489
Sales.....	763,000	778,970	728,804
Tobacco.....	114,000	114,181	115,587
Other .....	44,400	45,759	43,036
<b>Total Taxes</b>	<b>2,671,700</b>	<b>2,850,082</b>	<b>2,635,043</b>
<b>Transfers from the Federal Government</b>			
Canada Assistance Plan.....	236,700	249,463	238,948
Equalization .....	653,900	215,469	540,240
Established Programs Financing.....	385,100	380,704	414,824
Other .....	108,700	129,251	102,995
<b>Total Transfers from the Federal Government</b>	<b>1,384,400</b>	<b>974,887</b>	<b>1,297,007</b>
<b>Non-renewable Resources</b>			
Coal.....	15,400	15,170	15,706
Natural gas.....	68,100	41,337	61,410
Oil.....	348,300	447,343	528,572
Potash.....	72,300	122,282	88,990
Uranium.....	17,100	44,717	20,152
Other.....	2,200	2,485	2,907
<b>Total Non-renewable Resources</b>	<b>523,400</b>	<b>673,334</b>	<b>717,737</b>
<b>Transfers from Government Entities</b>			
Crown Investments Corporation of Saskatchewan.....	50,000	50,000	-
Liquor and Gaming Authority			
Liquor.....	150,000	170,000	-
Gaming.....	92,000	120,000	97,200
Saskatchewan Crop Insurance Corporation.....	-	-	193,551
Other enterprises and funds.....	15,500	9,917	4,119
<b>Total Transfers from Government Entities</b>	<b>307,500</b>	<b>349,917</b>	<b>294,870</b>
<b>Other Revenue</b>			
Agricultural land.....	25,400	24,336	27,900
Fines, forfeits, and penalties.....	10,800	11,337	9,753
Interest, premium, discount, and exchange.....	28,700	24,184	26,685
Lands, forests, game, fur, and fisheries fees.....	15,600	16,548	16,141
Motor vehicle fees.....	88,400	91,763	90,544
Other licences and permits.....	25,700	25,477	26,960
Sales, services, and service fees.....	55,000	57,811	53,703
Transfers from other governments.....	8,300	9,416	8,466
Other.....	20,300	22,726	20,553
<b>Total Other Revenue</b>	<b>278,200</b>	<b>283,598</b>	<b>280,705</b>
<b>Total Revenue</b>	<b>\$ 5,165,200</b>	<b>\$ 5,131,818</b>	<b>\$ 5,225,362</b>

## General Revenue Fund

### Schedules to the Financial Statements

#### Schedule 11 - Loss on Loans and Investments

(thousands of dollars)			
		1996	1995
Other loans.....	\$	858	\$ 522
Loss on sale of land.....		420	579
<b>Total Loss on Loans and Investments</b>	<b>\$</b>	<b>1,278</b>	<b>\$ 1,101</b>

#### Schedule 12 - Net Change in Non-cash Operating Activities

(thousands of dollars)			
		1996	1995
(Increase) Decrease in prepaid expenses.....	\$	69	\$ (1,128)
(Increase) Decrease in accounts receivable.....		84,551	(246,398)
(Increase) Decrease in deferred charges.....		6,148	(6,498)
Increase (Decrease) in accounts payable and accrued liabilities.....		(42,247)	83,325
Increase (Decrease) in unearned revenue.....		(3,902)	15,690
<b>Net Change in Non-cash Operating Activities</b>	<b>\$</b>	<b>44,619</b>	<b>\$ (155,009)</b>

# General Revenue Fund

## Schedules to the Financial Statements

### Schedule 13 - Loan, Investment, and Deposit Activities

(thousands of dollars)

	1996		1995	
	Receipts	Disbursements	Receipts	Disbursements
<b>Loans</b>				
Agricultural Credit Corporation of Saskatchewan.....	\$ 116,497	\$ 30,000	\$ 278,451	\$ 97,861
Crown Investments Corporation of Saskatchewan.....	265,052	100,000	102,383	11,386
Liquor and Gaming Authority.....	-	-	23,787	-
Saskatchewan Crop Insurance Corporation .....	29,836	25,467	47,712	16,314
Saskatchewan Gaming Corporation.....	797	-	-	797
Saskatchewan Opportunities Corporation.....	-	49,034	-	4,692
Saskatchewan Power Corporation.....	67,338	100,000	20,000	147,375
Saskatchewan Telecommunications.....	66,576	12,375	31,603	-
Saskatchewan Water Corporation.....	-	6,800	-	-
SaskEnergy Incorporated.....	72,050	150,000	25,000	89,150
Other.....	33,406	113,594	96,611	96,013
<b>Total Loan Receipts and Disbursements</b>	<b>651,552</b>	<b>587,270</b>	<b>625,547</b>	<b>463,588</b>
<b>Investments</b>				
Agricultural land and improvements.....	1,719	14	2,780	57
<b>Total Investment Receipts and Disbursements</b>	<b>1,719</b>	<b>14</b>	<b>2,780</b>	<b>57</b>
<b>Deposits</b>				
Crown entities and others .....	387,493	661,273	348,464	173,462
Sinking funds.....	17,742	56,245	18,905	49,197
Redemption of sinking funds.....	8,568	-	-	-
<b>Total Deposit Receipts and Disbursements</b>	<b>413,803</b>	<b>717,518</b>	<b>367,369</b>	<b>222,659</b>
<b>Total Receipts and Disbursements</b>	<b>1,067,074</b>	<b>1,304,802</b>	<b>995,696</b>	<b>686,304</b>
<b>Net Receipts (Disbursements)</b>	<b>\$ (237,728)</b>	<b>\$ 309,392</b>		



## **Summary Financial Statements**





## Government of Saskatchewan Responsibility for Summary Financial Statements

The Government is responsible for the Summary Financial Statements. The Government maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to get reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

The Provincial Comptroller prepares these statements following the Government's stated accounting policies and using the Government's best estimates and judgement where appropriate. He uses information from the accounts of the General Revenue Fund, Crown corporations, agencies, and other funds to prepare these statements.

The Provincial Auditor expresses an independent opinion on these statements. His report states the scope of his audit and opinion and appears on the following page.

Treasury Board approves the Summary Financial Statements. The Minister of Finance tables the statements in the Legislative Assembly as part of the Public Accounts. The Legislative Assembly refers the Public Accounts to the Standing Committee on Public Accounts for review.

On behalf of the Government of the Province of Saskatchewan.



Janice MacKinnon  
Minister of Finance



W. Davern Jones  
Deputy Minister of Finance



Terry Paton  
Provincial Comptroller

Regina, Saskatchewan  
August, 1996



## Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have audited the summary statement of assets, liabilities, and accumulated deficit of the Government of Saskatchewan as at March 31, 1996 and the summary statements of revenue, expenses, and accumulated deficit and changes in cash and temporary investments for the year then ended. These financial statements are the responsibility of Treasury Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion these financial statements present fairly, in all material respects, the financial position of the Government of Saskatchewan as at March 31, 1996 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles for governments recommended by The Canadian Institute of Chartered Accountants.

Regina, Saskatchewan  
August 9, 1996



W.K. Streloff, CA  
Provincial Auditor

This page left blank intentionally.

# Government of Saskatchewan

## Summary Statement of Assets, Liabilities, and Accumulated Deficit

As at March 31, 1996

		(thousands of dollars)	
Schedule		1996	1995
<b>Assets</b>			
	Cash and temporary investments (note 2).....	\$ 361,831	\$ 219,675
	Prepaid expenses.....	23,283	31,605
1	Accounts receivable.....	949,644	855,126
	Inventories held for resale.....	15,439	12,581
	Land held for resale (note 3).....	127,473	131,572
	Deferred charges.....	78,538	86,826
	Deferred foreign exchange loss.....	83,024	112,523
2	Loans receivable.....	505,343	492,346
3	Investment in government enterprises.....	2,035,956	1,967,996
4	Other investments.....	1,227,908	1,256,966
<b>Total Assets</b>		<b>\$ 5,408,439</b>	<b>\$ 5,167,216</b>
<b>Liabilities</b>			
5	Accounts payable and accrued liabilities.....	\$ 1,384,411	\$ 1,872,585
6	Other liabilities.....	227,036	265,633
	Unearned revenue.....	86,711	86,354
7&8	Public debt.....	10,200,467	10,111,840
	Pension liabilities (note 5).....	3,427,620	3,320,438
<b>Total Liabilities</b>		<b>\$ 15,326,245</b>	<b>\$ 15,656,850</b>
<b>Accumulated Deficit</b>		<b>\$ (9,917,806)</b>	<b>\$ (10,489,634)</b>

(See accompanying notes)

Capital property (note 4)

9 Guaranteed debt (note 9)

Contingencies and commitments (notes 9 and 10)

**Government of Saskatchewan**  
**Summary Statement of Revenue, Expenses, and Accumulated Deficit**  
For the Year Ended March 31, 1996

		(thousands of dollars)	
Schedule		1996	1995
<b>Revenue</b>			
10	Taxation.....	\$ 2,853,887	\$ 2,642,264
10	Transfers from the federal government.....	1,045,693	1,511,754
10	Non-renewable resources.....	691,850	733,150
10	Gain on sale of Cameco shares.....	490,222	11,685
10	Other.....	774,084	880,726
<b>Total Revenue</b>		<b>5,855,736</b>	<b>5,779,579</b>
<b>Expenses</b>			
	Agriculture.....	375,197	553,775
	Community development.....	157,514	160,405
	Debt charges.....	1,304,453	1,338,559
	Economic development.....	104,263	79,270
	Education.....	828,132	874,292
	Environment and natural resources .....	191,586	116,044
	Health.....	1,639,095	1,621,839
	Protection of persons and property.....	194,845	187,049
	Social services and assistance.....	587,877	583,617
	Transportation.....	235,516	227,239
	Other.....	225,390	210,048
<b>Total Expenses (note 7)</b>		<b>5,843,868</b>	<b>5,952,137</b>
	Surplus (deficit) from government service organizations.....	11,868	(172,558)
3	Income from government enterprises.....	559,960	356,712
<b>Surplus for the Year</b>		<b>571,828</b>	<b>184,154</b>
	Accumulated deficit, beginning of year.....	(10,489,634)	(10,673,788)
<b>Accumulated Deficit, End of Year</b>		<b>\$ (9,917,806)</b>	<b>\$ (10,489,634)</b>

(See accompanying notes)



# Government of Saskatchewan

## Summary Statement of Changes in Cash and Temporary Investments

For the Year Ended March 31, 1996

		(thousands of dollars)	
Schedule		1996	1995
<b>Operating Activities</b>			
	Surplus for the year.....	\$ 571,828	\$ 184,154
	Add (deduct) non-cash items		
	Income from government enterprises.....	(559,960)	(356,712)
	Amortization of foreign exchange gains and losses .....	(7,196)	(5,344)
11	Gain on loans and investments.....	(501,365)	(73,418)
12	Net change in non-cash operating activities.....	(581,580)	28,320
<b>Cash Provided by (Used for) Operating Activities</b>		<b>(1,078,273)</b>	<b>(223,000)</b>
<b>Investing Activities</b>			
	Disposal of land held for resale .....	4,099	3,631
	Acquisition of other investments.....	(247,819)	(252,520)
	Disposition of other investments.....	778,242	190,394
	Decrease in equity advances to government enterprises.....	40,200	-
	Capital restructuring of government enterprises.....	-	(59,650)
<b>Cash Provided by (Used for) Investing Activities</b>		<b>574,722</b>	<b>(118,145)</b>
<b>Changes in Cash Before Financing Activities</b>		<b>(503,551)</b>	<b>(341,145)</b>
<b>Financing Activities</b>			
	Proceeds from public debt.....	755,962	1,440,449
	Repayment of public debt.....	(630,640)	(1,817,636)
	Dividends from government enterprises.....	451,800	238,671
	Increase in pension and other liabilities.....	68,585	252,680
<b>Cash Provided by (Used for) Financing Activities</b>		<b>645,707</b>	<b>114,164</b>
<b>Net Increase (Decrease) in Cash and Temporary Investments</b>		<b>142,156</b>	<b>(226,981)</b>
<b>Cash and temporary investments, beginning of year.....</b>		<b>219,675</b>	<b>446,656</b>
<b>Cash and Temporary Investments, End of Year</b>		<b>\$ 361,831</b>	<b>\$ 219,675</b>

(See accompanying notes)

# Government of Saskatchewan

## Notes to the Summary Financial Statements

For the Year Ended March 31, 1996

### 1. Significant Accounting Policies

These Summary Financial Statements are prepared using accounting principles appropriate for government and reflect the following significant accounting policies:

#### a) Reporting entity

These financial statements report the financial activities of organizations which are accountable for the administration of their financial affairs and resources either to a Minister of the Government or directly to the Legislative Assembly and which are owned or controlled by the Government, as determined by legislative provisions or by a majority holding of voting share capital.

Trusts administered by the Government are excluded from the reporting entity.

A listing of organizations included in the reporting entity is provided in schedule 13.

#### b) Method of consolidation

The accounts of all government organizations, except those designated as government enterprises, are consolidated after adjusting them to a basis consistent with the accounting policies described in note 1(c). These organizations are referred to as government service organizations. Significant inter-organization accounts and transactions are eliminated.

Government enterprises are defined as organizations that have the financial and operating authority to carry on a business. This includes contracting in their own name, and selling goods and services to individuals and non-government organizations as their principal activity and source of revenue.

Government enterprises are recorded using the modified equity method. The Government's investment, which is initially recorded at cost, is adjusted annually to include the net earnings/losses and other net equity changes of the enterprise without adjusting them to conform with the accounting policies described below. Inter-organization accounts and transactions are not eliminated.

Financial results of government organizations whose fiscal year-ends are not March 31 are not adjusted unless the effect of such an adjustment would be significant to the consolidated operating results.

#### c) Basis of accounting

The accrual basis of accounting is used and specifically expressed as follows:

##### Revenue

Revenue is recorded on the accrual basis except for payments from the federal government for corporate and personal income taxes, which are recorded on the cash basis.

##### Expenses

Expenses are recorded on the accrual basis and include the cost of capital property and inventories of supplies received during the year.

##### Assets

Reported assets are those assets on hand at the end of an accounting period which could provide resources to discharge existing liabilities or finance future operations.

*Temporary investments* are recorded at the lower of cost and market.

*Inventories held for resale* are recorded at the lower of cost and net realizable value. *Inventories of supplies* are expensed.

*Land held for resale* is valued at the lower of cost or net realizable value, on an aggregate basis.

*Deferred charges* include issue costs and net discounts or premiums incurred on the issue of long-term debt. They are recorded at cost and amortized on a straight line basis over the remaining life of the debt issue.

*Deferred foreign exchange loss* includes unrealized foreign exchange gains and losses resulting from the conversion of debentures due in a foreign currency to the Canadian dollar equivalent at the exchange rate in effect at March 31. Realized foreign exchange gains and losses are included in the surplus or deficit for the year. Unrealized foreign exchange gains and losses are amortized on a straight line basis over the remaining life of the debt issue.

*Loans receivable* are recorded at the lower of cost and net realizable value.

*Other investments* in bonds, debentures and mortgages are recorded at amortized cost. Other investments in shares of private and public companies are recorded at cost and dividends from these shares are recorded as income when receivable. Where the Government has investments in shares and exercises significant influence but has less than a controlling interest, the investments are accounted for by the equity method. Using this method, the carrying value of the investment is adjusted for the Government's share of the investee's net earnings or losses and reduced by dividends received from these shares. Other investments are written down to their net realizable value where there is evidence of a permanent decline in their value.

*Capital property* held by government service organizations is expensed in the period acquired. Capital property held by government enterprises, as disclosed on schedule 3, is generally recorded at cost and amortized on a straight line basis over the estimated productive life of each asset.

##### Liabilities

Reported liabilities include financial obligations to outside organizations and individuals as a result of transactions and events occurring prior to year end. They are the result of contracts, agreements and legislative provisions which require the Government to repay borrowings or to pay for goods and



services acquired or provided prior to year end.

## Government of Saskatchewan Notes to the Summary Financial Statements

*Public debt* consists of promissory notes, debentures and annuities of government service organizations which are recorded net of amounts reimbursable from government enterprises. Public debt is recorded at par. Premiums, discounts and issue costs are recorded as deferred charges and amortized on a straight line basis over the remaining life of the debt issue.

Certain debenture issues require payments into a sinking fund. These obligations are recorded at principal less sinking fund balances where applicable.

Where borrowing is used to finance loans to government enterprises, all expenses are charged directly to government enterprises.

*Pension liabilities* are calculated using the projected benefit method prorated on services. Pension fund assets are valued at market related values. Changes in the pension liabilities as a result of estimation adjustments due to experience gains and losses and changes in actuarial assumptions are amortized on a straight line basis over the expected average remaining service life of the related employee group. Gains or losses as a result of plan amendments are recognized in the period of the plan amendment.

*Guaranteed debt* includes guarantees of the Government made through specific agreements or legislation. Loss provisions on guaranteed debt are recorded when it is likely that a loss will occur. The amount of the loss provision represents the Government's best estimate of future payments less recoveries. The loss provision is recorded as a liability and an expense in the year determined and is adjusted as necessary to ensure it equals the expected payout of the guarantee.

### 2. Cash and Temporary Investments

Temporary investments include investments in securities of other governments of \$30.8 million (1995 - \$36.1 million).

### 3. Land Held for Resale

The market value of the Government's land held for resale at March 31, 1996 is \$216.1 million.

### 4. Capital Property

The Government has a significant investment in *capital property* that has a useful life of greater than one year. For government service organizations, capital property is expensed in the period acquired. In the current year, government service organizations acquired capital property costing \$104.5 million (1995 - \$102.7 million).

The Saskatchewan Property Management Corporation (SPMC) and the Saskatchewan Housing Corporation hold a substantial portion of the capital property on hand and available for use by the Government. The following table includes the capital property held by these and other government service organizations but does not include:

- capital property held by government enterprises. This information is disclosed in schedule 3;
- capital property held by the General Revenue Fund. However, the majority of capital property used to deliver

General Revenue Fund programs is held by SPMC;

- infrastructure, such as highways, bridges and dams;
- land acquired for parks and recreation, highway construction or held for resale;
- capital property purchased with the Government's grant monies. The Government provides monies to other governments, authorities or individuals in the form of capital grants and contributions which are specifically used to acquire capital property or property that is available for public use.

Capital Property		(thousands of dollars)	
	Cost	Accumulated Amortization	Net Book Value
Land . . . . .	\$ 65,658	\$ -	\$ 65,658
Buildings . . . .	1,444,386	320,487	1,123,899
Vehicles . . . .	60,165	35,369	24,796
Machinery and equipment .	344,507	175,333	169,174
Aircraft . . . . .	2,448	1,156	1,292
Furniture . . . .	104,513	57,664	46,849
Capital leases	76,753	31,570	45,183
Other . . . . .	89,763	17,431	72,332
<b>Total</b>	<b>\$ 2,188,193</b>	<b>\$ 639,010</b>	<b>\$ 1,549,183</b>

### 5. Pension Liabilities

#### a) Contributory defined benefit pension plans

The Government of Saskatchewan sponsors several defined benefit pension plans for its employees and for members of the Legislative Assembly. The defined benefit pension plans, except for the Judges of the Provincial Court Superannuation Plan (Judges), are closed membership pension plans.

Defined benefit pension plans provide pensions based on length of service and pensionable earnings. A typical plan provides pensions equal to 2 per cent of a member's average five years highest salary, multiplied by the years of service to a maximum of 35 years. Pensions are integrated with the Canada Pension Plan. The Teachers' Superannuation Plan (TSP) provides for inflation protection equal to 80 per cent of the annual increase in the Consumer Price Index. Most of the other plans provide inflation indexing at the discretion of the Lieutenant Governor in Council.

#### Government service organizations

Defined benefit pension plans of government service organizations along with the Public Employees (Government Contributory) Annuity Fund, an annuity underwriting operation, are included in the table on the following page.

The membership data of these defined benefit pension plans are as follows:

Number of active members . . . . .	12,593
Average age of active members . . . . .	46.3
Former members entitled to deferred pension benefits . . . . .	19,597
Number of superannuates and surviving spouses . . . . .	13,085

For the year ended March 31, 1996, total benefit payments were \$250.3 million (1995 - \$227.9 million).

## Government of Saskatchewan

### Notes to the Summary Financial Statements

Plan members make contributions at the following rates:

- Teachers' Superannuation Plan - 7.85 per cent of their salary;
- Public Service Superannuation Plan - 7 per cent, 8 per cent or 9 per cent of their salary, depending on their age; and,
- Other plans - 5 per cent to 9 per cent of their salary.

Contribution rates are integrated with the Canada Pension Plan. The Government is required to match member contributions in respect of current year's service for all plans, except for the Public Service Superannuation Plan (PSSP)

and Judges. For the year ended March 31, 1996, total contributions for current year's service were \$147.9 million (1995 - \$149.9 million).

A separate pension fund is not maintained for PSSP. The Government uses member contributions to finance its operations in return for the promise to meet all pension obligations arising from PSSP. Separate pension funds are maintained for the other plans.

Contributions are deposited into separate funds and benefits to plan members are payable from them. Pension fund assets are invested primarily in bonds and equities.

The unfunded pension liabilities are as follows:

(thousands of dollars)							
Plan Name	Actuarial Valuation Date	1996					1995
		Accrued Benefit Obligation	Pension Fund Assets	Net Obligation	Unamortized Estimation Adjustments	Pension Liabilities	Pension Liabilities
Teachers' Superannuation Plan . . . . .	Jun. 30/93	\$ 3,242,000	\$ 1,141,000	\$ 2,101,000	\$ 111,707	\$ 2,212,707	\$ 2,137,775
Public Service Superannuation Plan . . . . .	Mar. 31/94	1,153,683	—	1,153,683	7,922	1,161,605	1,127,267
Members of the Legislative Assembly Superannuation Plan . . . . .	Dec. 31/95	26,615	—	26,615	(2,928)	23,687	24,527
Judges of the Provincial Court Superannuation Plan	Mar. 31/94	21,874	5,965	15,909	1,907	17,816	17,878
Saskatchewan Transportation Company Employees Superannuation Plan . . . . .	Mar. 31/94	23,802	18,093	5,709	(167)	5,542	6,689
Anti-TB League Employees Superannuation Plan . . . . .	Mar. 31/94	6,176	1,767	4,409	(42)	4,367	4,214
Public Employees (Government Contributory) Annuity Fund . . . . .	Mar. 31/96	44,699	42,803	1,896	—	1,896	2,088
<b>Total</b>		<b>\$ 4,518,849</b>	<b>\$ 1,209,628</b>	<b>\$ 3,309,221</b>	<b>\$ 118,399</b>	<b>\$ 3,427,620</b>	<b>\$ 3,320,438</b>

At March 31, 1996, a liability of \$125 million (1995 - \$115 million), that relates to the TSP disability provision, is included in the TSP liability.

Actuarial valuations are performed at least triennially. These valuations are extrapolated by an actuary when a valuation is not performed in the current fiscal year. Actuarial valuations are based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions reflect the Government's best estimates of expected long-term rates and short-term forecasts. The expected long-term inflation rate is 4.5 per cent.

The value of pension fund assets is based on actual market values averaged over a five year period. In the periods between valuations, the value of pension fund assets is determined using expected long-term rates of return.

The total pension related expenditures include the following components:

(thousands of dollars)

	1996	1995
Current period benefit cost . . . . .	\$ 64,622	\$ 67,513
Plan amendments . . . . .	32,206	18,498
Amortization of estimation adjustments . . . . .	(26,760)	6,604
	70,068	92,615
Less: Employee contributions	(25,981)	(30,675)
Pension expenses	44,087	61,940
Cost of financing unfunded pension obligation (pension interest expenses)	261,088	274,064
<b>Total pension related expenses</b>	<b>\$ 305,175</b>	<b>\$ 336,004</b>



## Government of Saskatchewan

### Notes to the Summary Financial Statements

Pension expenses are included in the Summary Statement of Revenues, Expenses, and Accumulated Deficit as components of education and other expenses. Pension interest expenses are shown in the statement as debt charges.

#### Government enterprises

The two main defined benefit pension plans of government enterprises are the Power Corporation Superannuation Plan (Power) and the Saskatchewan Telecommunications Superannuation Plan (SaskTel). There are 2,338 active members and 2,735 superannuates in these plans.

Members of Power and SaskTel make contributions at a rate of 7 per cent, 8 per cent or 9 per cent of their salary depending on

their age and date of commencement of employment. The contribution rates are integrated with the Canada Pension Plan.

The Government contributes the amount necessary to fund the payment of pension benefits. For the year ended March 31, 1996, total contributions for current year's service were \$10.4 million (1995 - \$10.5 million). Pension fund assets are invested primarily in bonds and equities.

Based on the latest actuarial valuations extrapolated to December 31, 1995, the present value of accrued pension benefits and the market related value of pension fund assets in the defined benefit pension plans of government enterprises are shown in the table below.

(thousands of dollars)					
	Actuarial Valuation Date	Accrued Pension Benefits	1996 Pension Fund Assets	Pension (Surplus) Liability	1995 Pension (Surplus) Liability
Power Corporation Superannuation Plan . . . . .	September 30/95	\$ 511,351	\$ 514,874	\$ (3,523)	\$ 7,388
Saskatchewan Telecommunications Superannuation Plan . . . . .	December 31/94	477,969	541,832	(63,863)	(41,569)
Others . . . . .	December 31/93	97,214	69,757	27,457	26,154
<b>Total</b>		<b>\$ 1,086,534</b>	<b>\$ 1,126,463</b>	<b>\$ (39,929)</b>	<b>\$ (8,027)</b>

#### b) Contributory defined contribution pension plans

The Government also sponsors several defined contribution pension plans for employees of its government service organizations and government enterprises. In defined contribution pension plans, a member's pension is based on the accumulated contributions and investment earnings.

The two main plans are the Public Employees (Government Contributory) Superannuation Plan (PESP) and the Capital Pension Plan (CIC). PESP and CIC are multi-employer defined contribution pension plans. There are 21,028 employees currently contributing to PESP and CIC. Of these, 13,411 are employees of government service organizations and 7,617 are employees of government enterprises.

Members of PESP and CIC make contributions at rates of 5 per cent and 5.5 per cent of their salary, respectively. Employers are required to match member contributions in respect of current year's service. The Government has fully funded its share of contributions to these plans. For government service organizations, total contributions for the year ended March 31, 1996 were \$45.9 million (1995 - \$44.4 million). For government enterprises, total contributions for the year ended March 31, 1996 were \$28.3 million (1995 - \$26.8 million).

The market related value of pension fund assets in PESP and CIC is approximately \$1.7 billion. These assets are

invested primarily in bonds and equities.

The Government also contributed \$14.2 million (1995 - \$13.1 million) to the Saskatchewan Teachers' Retirement Plan for the year ended March 31, 1996. This pension plan is sponsored by the Saskatchewan Teachers' Federation.

#### 6. Reserves

The accumulated deficit of \$9,917.8 million consists of an unallocated deficit component of \$9,929.7 million and the Environmental Protection Reserve of \$11.9 million. The Environmental Protection Reserve was created to provide contingency funding to mitigate unforeseen environmental problems related to uranium milling. The reserve is maintained at its March 31, 1992 balance.

During the year, the Energy Security Reserve was wound-up and its assets were made available for Government purposes.

## Government of Saskatchewan Notes to the Summary Financial Statements

### 7. Expenses by Object

Expenses by object are reported as follows:

	(thousands of dollars)	
	1996	1995
Grants and contributions	\$ 2,120,347	\$ 2,130,341
Debt charges	1,304,453	1,338,559
Operating costs	854,323	774,319
Salaries and benefits	1,218,198	1,155,823
Capital property acquisitions	104,493	102,727
Other	242,054	450,368
<b>Total Expenses</b>	<b>\$ 5,843,868</b>	<b>\$ 5,952,137</b>

### 8. Comparison of Planned to Actual Results

A comparison of planned to actual surplus (deficit) is as follows:

	(thousands of dollars)	
	Planned	Actual
General Revenue Fund Surplus (deficit) for the year	<u>\$ 24,351</u>	\$ 18,448
Government enterprises Income for the year		559,960
Other government service organizations Surplus for the year		97,403
Dividends received from government organizations		(501,800)
Adjustments necessary to conform to the basis of accounting described in note 1(c)		397,817
<b>Surplus for the Year</b>		<b>\$571,828</b>

The planned and actual figures are before elimination of inter-organization transactions.

### 9. Contingencies

#### a) Guaranteed debt

At March 31, 1996, \$932.4 million (1995 - \$1,058.0 million) in loans were guaranteed by the Government. Schedule 9 provides a listing of guaranteed debt.

#### b) Lawsuits

Up to \$1.5 million may be paid depending on the outcome of lawsuits in progress.

#### c) Indian and Northern Affairs Canada

The Government pays for certain social services provided to status Indians and submits claims to the federal government for the cost of these services. The Government believes these costs are the responsibility of the federal government and

believes they are fully reimbursable. However, the federal government denies responsibility for a portion of these costs.

The Government is unable to determine whether or not the outstanding amounts will be reimbursed. The Government will account for any recovery resulting from the resolution of this contingency at the time of settlement. No provision for such a recovery has been made in these financial statements.

#### d) Gross Revenue Insurance Plan (GRIP)

Legal actions have commenced against the Government for breach of contract with respect to the change from the 1991 GRIP program to the 1992 revenue insurance program.

The institution of *The Farm Income Legislation Amendment Act 1992* effectively extinguished any cause of action; consequently, the plaintiffs are challenging the constitutional validity of the legislation.

#### e) Other

IPSCO Inc. has the option to purchase leased equipment. In the event that IPSCO Inc. does not purchase the equipment by the end of the lease term which expires in 2007, the Government is obligated to purchase the equipment for \$13.0 million.

Other contingencies of \$2.0 million may be paid depending on the outcome of future events.

### 10. Commitments

Major financial commitments include:

- forward purchase commitments of \$1,893.0 million for coal contracted for future minimum deliveries valued at current prices;
- treaty land entitlement agreement commitments valued at approximately \$202.2 million;
- other commitments including capital expenditure commitments valued at approximately \$618.4 million; and,
- capital and operating lease obligations as follows:

	(thousands of dollars)	
	Operating	Capital
Future minimum lease payments		
1996-97	\$ 49,892	\$16,908
1997-98	49,161	16,908
1998-99	44,158	16,931
1999-2000	39,890	16,841
2000-01	29,379	13,883
Thereafter	41,848	112,261
	254,328	193,732
Less: Interest and executory costs	-	(101,175)
<b>Total Lease Obligations</b>	<b>\$ 254,328</b>	<b>\$92,557</b>

Total operating lease obligations include \$136.3 million for government service organizations and \$118.0 million for government enterprises.



## Government of Saskatchewan

### Notes to the Summary Financial Statements

Total capital lease obligations include \$59.6 million for government service organizations (reported on schedule 5) and \$32.9 million for government enterprises.

#### 11. District Health Boards

The Government has established 27 district health boards. Of these, 26 were established in 1993-94 and one was established in 1995-96. Due to the uncertainty of the Government's long-term control of these boards, they have not been included in the reporting entity. The Regina, Saskatoon, and Prince Albert District Health Boards were established prior to March 31, 1993 and are included in the reporting entity. This is consistent with the previous period's treatment.

The total net liabilities, as expressed in the accounting policies described in note 1(c), held by the 27 boards at March 31, 1996 was approximately \$7.7 million (net assets 1995 - \$0.1 million).

#### 12. Trust Funds

Fund balances held and administered by the Government at March 31, 1996, were as follows:

	(thousands of dollars)	
	1996	1995
Superannuation funds and		
pension plans* . . . . .	\$ 4,756,778	\$ 4,155,401
Public Trustee's Trust		
Account . . . . .	104,189	95,855
Other trusts** . . . . .	30,984	22,411
<b>Total Trust Funds</b>	<b>\$ 4,891,951</b>	<b>\$ 4,273,667</b>

\* Reflects the latest audited financial statements of the funds and plans closest to March 31, 1996.

\*\* Includes other trusts under \$10.0 million.

#### 13. Subsequent Events

##### a) Cameco Corporation (Cameco)

Subsequent to March 31, 1996, the Government sold 620,500 shares of Cameco pursuant to an underwriting option to purchase up to an additional 1,000,000 shares. Total proceeds were \$45.0 million. The estimated gain on sale is \$32.3 million.

##### b) Saskatchewan Gaming Corporation (SGC)

Subsequent to March 31, 1996, SGC purchased the shares of Dominion Casino Projects Inc. making it a wholly-owned subsidiary of SGC (SGC Holdings, Inc.). SGC Holdings, Inc. is leasing the assets back to SGC, with SGC continuing to pay all interest, insurance, taxes and operating costs associated with the assets. In future years, SGC will combine the accounts of SGC and SGC Holdings, Inc. in consolidated financial statements.

#### 14. Comparative Figures

Certain of the 1995 comparative figures have been reclassified to conform with the current year's presentation.

# Government of Saskatchewan

## Schedules to the Summary Financial Statements

For the Year Ended March 31, 1996

### Schedule 1 - Accounts Receivable

	(thousands of dollars)	
	1996	1995
Cameco share proceeds.....	\$ 358,600	\$ -
Taxes.....	273,938	201,820
Trade.....	168,948	152,571
Transfers from the federal government.....	66,824	225,942
Accrued interest.....	33,426	9,788
Leases and farm loans.....	32,808	23,825
Insurance premiums due from agriculture producers.....	15,100	241,180
<b>Total Accounts Receivable</b>	<b>\$ 949,644</b>	<b>\$ 855,126</b>

### Schedule 2 - Loans Receivable

	(thousands of dollars)	
	1996	1995
<b>Agricultural loans</b>		
Capital loan program.....	\$ 231,848	\$ 258,745
Production loan program.....	77,127	143,567
Canada-Saskatchewan Crop Sector Companion Program.....	75,745	-
Livestock cash advance program.....	41,121	59,664
Counselling and Assistance for Farmers program.....	18,190	40,240
Investment loan program.....	12,070	9,913
Spring seeding loan program.....	2,134	4,537
Other.....	22	21
	<b>458,257</b>	<b>516,687</b>
Provision for losses.....	<b>(92,353)</b>	<b>(149,793)</b>
	<b>365,904</b>	<b>366,894</b>
<b>Student loans</b> .....	<b>132,826</b>	<b>120,752</b>
Provision for losses.....	<b>(44,889)</b>	<b>(36,600)</b>
	<b>87,937</b>	<b>84,152</b>
<b>Housing mortgages and loans</b> .....	<b>18,999</b>	<b>19,852</b>
<b>Other</b> .....	<b>32,503</b>	<b>21,448</b>
<b>Total Loans Receivable</b>	<b>\$ 505,343</b>	<b>\$ 492,346</b>

(See accompanying notes)

# Government of Saskatchewan

## Schedules to the Summary Financial Statements

### Schedule 2 (continued) - Loans Receivable

#### Capital loan program

Loans are repayable, with interest, over terms not exceeding twenty-five years. The loans bear interest at rates between 6 per cent and 13 3/4 per cent. Security on individual loans varies and may include mortgages on real property, security agreements and guarantees. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act*.

#### Production loan program

Production loans bear interest at 6 per cent repayable in equal principal instalments over a term of three years. Amounts in arrears are at prime plus 2 per cent. Amendments to the program allowed the borrowers to reschedule their outstanding loans at interest of 9 3/4 per cent to mature in 1997. Promissory notes and, where applicable, guarantees and general security agreements are held as security for the loans. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act*.

#### Canada-Saskatchewan Crop Sector Companion Program

The program is a farm safety net package created as a result of a federal-provincial agreement signed in September of 1995. The program was introduced as a transitional safety net feature and provides coverage for the 1995 and 1996 calendar years. It is administered by the federal government with costs of the program shared between the federal government and the Province.

The federal and Provincial governments make contributions into the program fund. These contributions bear interest at 90 per cent of the average of the weekly three-month treasury bill tender rate. Payments are made from the program fund to producers.

#### Livestock cash advance program

Effective August 1, 1993, clients with Livestock cash advances began repaying their loans, bearing interest at prime plus 2 per cent, over a maximum five year period. The loans are secured by promissory notes and, where applicable, by guarantees. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act*.

#### Counselling and Assistance for Farmers program

Effective August 1, 1992, the Government assumed responsibility for loans and guarantees which were outstanding under this program. The majority of the loans under the program are in default, have judgements obtained on them and bear interest at 5 per cent. The loans are secured by way of an assignment of security from the original lender. The guarantees are for 100 per cent of the outstanding principal balance to a maximum limit of the lending financial institution's yearly pre-established pool of funds, as defined in the regulations of *The Farm Financial*

*Stability Act*.

#### Investment loan program

Investment loans bear interest at rates between 8 1/2 per cent and 10 1/2 per cent and are repayable over terms not exceeding twenty-five years. Security on the loans varies and may include mortgages on real property, security agreements and guarantees. The program operates under *The Agricultural Credit Corporation of Saskatchewan Act*.

#### Spring seeding loan program

During the 1992 fiscal year, the Government paid out \$48.6 million to honour guarantees on loans granted by financial institutions under this program. The loans assumed by the Government bear interest at prime plus 2 per cent. The loans are secured by promissory notes and, where applicable, by guarantees and general security agreements. The loans are assumed pursuant to *The Agricultural Credit Corporation of Saskatchewan Act*.

#### Student loans

The program operates under the authority of *The Student Assistance and Student Aid Fund Act, 1985*. Loans are interest free for a six-month period following discontinuance of studies or graduation. Interest relief grants, which extend the interest-free period for up to 18 months, are provided to qualified applicants. Interest rates are prescribed by the Minister of Post-Secondary Education and Skills Training.

Interest write-down grants are provided to borrowers who received loans for studies commencing between May 1, 1986, and July 31, 1989. Special incentive loan remission and/or loan forgiveness is granted to all students who meet specific criteria.

#### Housing mortgages and loans

Housing mortgages and loans were provided pursuant to provisions of Section 15 of *The Saskatchewan Housing Corporation Act*. The loans and mortgages are repayable, at various interest rates, over terms not exceeding thirty-five years. Security on the loans and mortgages may include promissory notes or charges against residential property.



# Government of Saskatchewan

## Schedules to the Summary Financial Statements

### Schedule 3 - Investment in Government Enterprises

	SaskEnergy Incorporated Dec. 31, 1995	Saskatchewan Power Corporation Dec. 31, 1995	Saskatchewan Telecom- munications Holding Corporation Dec. 31, 1995	Saskatchewan Transportation Company Dec. 31, 1995	Saskatchewan Forest Products Corporation Dec. 31, 1995	Saskatchewan Liquor and Gaming Authority Mar. 31, 1996
<b>Assets</b>						
Cash and temporary investments						
Due from government organizations .....	\$	11,998				197,428
Other .....	(4,042)	1,132	65,015	(232)	5	2,000
Accounts receivable						
Due from government organizations .....	1,839					
Other .....	78,498	111,202	93,885	2,242	1,146	5,526
Inventories .....		5,829	4,683			11,517
Prepaid expenses .....	4,568	64,441	27,412	614		1,935
Long-term investments						
In the Province .....			1,362			
Other .....		18,745	16,588			
Capital property .....	960,256	2,879,163	939,596	15,064	147	38,954
Other assets						
Due from government organizations .....						
Other .....	77,689	166,631	32,303	638		
<b>Total Assets</b>	<b>1,118,808</b>	<b>3,259,141</b>	<b>1,180,844</b>	<b>18,326</b>	<b>1,298</b>	<b>257,360</b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities						
Due to government organizations .....	24,129	56,788	8,963			
Other .....	52,542	116,731	77,623	3,621	2,174	9,873
Dividends payable to government organizations .....	31,700	54,100	73,500			
Debt						
Owing to government organizations .....	747,633	1,876,467	404,200	12,400		
Other .....		342	40,814			
Unearned revenue						
Received from government organizations .....	2,585					
Other .....	46,606	200,072	15,684			
Other liabilities .....			3,686			14,444
<b>Total Liabilities</b>	<b>905,195</b>	<b>2,304,500</b>	<b>624,470</b>	<b>16,021</b>	<b>2,174</b>	<b>24,317</b>
<b>Net Assets (Liabilities)</b>	<b>\$ 213,613</b>	<b>954,641</b>	<b>556,374</b>	<b>2,305</b>	<b>(8° 6)</b>	<b>233,043</b>
<b>Revenue</b>						
Revenue from operations .....	\$ 359,512	857,073	774,911	16,645	10,749	458,248
Transfers from government organizations .....	7,707	15,680				3,524
<b>Total Revenue</b>	<b>367,219</b>	<b>872,753</b>	<b>774,911</b>	<b>16,645</b>	<b>10,749</b>	<b>461,772</b>
<b>Expenses</b>						
Expenses from operations .....	222,886	521,113	520,359	21,987	9,333	218,578
Transfers to government organizations .....	86,557	271,168	65,414	657	1,665	1,115
<b>Total Expenses</b>	<b>309,443</b>	<b>792,281</b>	<b>585,773</b>	<b>22,644</b>	<b>10,998</b>	<b>219,693</b>
Income (loss) before non-recurring items .....	57,776	80,472	189,138	(5,999)	(249)	242,079
Non-recurring items .....			2,662		(725)	
<b>Net Income (Loss) for the Year</b>	<b>57,776</b>	<b>80,472</b>	<b>191,800</b>	<b>(5,999)</b>	<b>(974)</b>	<b>242,079</b>
Net assets (deficiency) -						
beginning, as previously reported .....	116,006	268,276	188,074	(47,181)	98	281,964
Restatement of prior years .....						(1,000)
Dividends to government organizations .....	(31,700)	(54,100)	(73,500)			(290,000)
Capital restructuring .....						
Equity advances/share capital .....	71,531	659,993	250,000	55,485		
<b>Net Assets (Deficiency) - End of Year</b>	<b>\$ 213,613</b>	<b>954,641</b>	<b>556,374</b>	<b>2,305</b>	<b>(876)</b>	<b>233,043</b>

(See accompanying notes)

\* Adjustments include:

- reversing the adjustment made in the prior year to record the sale of Saskatchewan Telecommunications Holding Corporation's interest in Information Systems Management (ISM) prior to March 31, 1995;

- reclassifying dividends paid by March 31, 1996;  
 - reversing the write-off of deferred financing costs reported by Saskatchewan Power Corporation;  
 - removing the opening equity of Saskatchewan Opportunities Corporation which has been reclassified as a government service organization; and,

(thousands of dollars)							
Municipal Financing Corporation of Saskatchewan Dec. 31, 1995	Saskatchewan Government Insurance Dec. 31, 1995	Saskatchewan Auto Fund Dec. 31, 1995	Workers' Compensation Board (Saskatchewan)** Dec. 31, 1995	Other Government Enterprises	Adjustments *	Total 1996	Total 1995
33,171	43,199	46,931	32,736	2,115	(161,800)	\$ 209,426 \$ 60,230	241,001 39,874
	2,410					4,249	3,192
3,497	30,027	28,092	15,822	1,493		371,430	345,287
				114		22,143	36,174
	18,426	10,249		122		127,767	109,432
	18,925	36,108	32,664			89,059	94,163
82,628	165,719	409,720	460,609	4		1,154,013	1,106,372
	16,432	34,770	31,974	1,113		4,917,469	4,804,073
					9,380	9,380	(5,887)
				38,324		315,585	365,076
119,296	295,138	565,870	573,805	43,285	(152,420)	7,280,751	7,138,757
1,527	5,692	15,220	4,744			117,063	116,615
73	10,374	7,945	483,510	4,283		768,749	715,092
	2,500				(161,800)	-	-
83,667						3,124,367	3,174,447
6,000				150		47,306	80,497
						2,585	2,927
	73,817	149,941		220		486,340	443,603
	106,372	498,164	38,681	37,038		698,385	637,580
91,267	198,755	671,270	526,935	41,691	(161,800)	5,244,795	5,170,761
28,029	96,383	(105,400)	46,870	1,594	9,380	\$ 2,035,956 \$	1,967,996
11,711	155,074	380,355	164,949	14,279	(10,520)	\$ 3,192,986 \$	2,987,063
	1,155	2,476	8,874	803		40,219	50,046
11,711	156,229	382,831	173,823	15,082	(10,520)	3,233,205	3,037,109
1,373	146,162	364,200	171,919	15,149	1,996	2,215,055	2,231,338
7,997	5,692	15,128	4,744			460,137	463,525
9,370	151,854	379,328	176,663	15,149	1,996	2,675,192	2,694,863
2,341	4,375	3,503	(2,840)	(67)	(12,516)	558,013	342,246
				10		1,947	14,466
2,341	4,375	3,503	(2,840)	(57)	(12,516)	559,960	356,712
25,688	39,508	(108,903)	49,710	1,626	20,913	835,779	658,088
				24	976	-	-
	(2,500)					(451,800)	(238,671)
						-	59,650
	55,000			1	7	1,092,017	1,132,217
28,029	96,383	(105,400)	46,870	1,594	9,380	\$ 2,035,956 \$	1,967,996

- to record increased accrued pension costs reported by Saskatchewan Liquor and Gaming Authority.

\*\* Net assets are restricted as disclosed in the narrative portion of this schedule on the pages following.

# Government of Saskatchewan

## Schedules to the Summary Financial Statements

### Schedule 3 (continued) - Investment in Government Enterprises

#### SaskEnergy Incorporated (SaskEnergy)

SaskEnergy's mandate is to promote, transport, store and distribute natural gas.

#### Saskatchewan Power Corporation (SaskPower)

SaskPower's main functions include the generation, purchase, transmission, distribution and sale of electrical energy.

#### Saskatchewan Telecommunications Holding Corporation (SaskTel)

SaskTel is responsible for providing local and long distance voice, data, image and text transmission services throughout Saskatchewan. As a member of Stentor, an alliance of Canada's major telecommunications companies, SaskTel provides a full range of national and international long distance communications services.

#### Saskatchewan Transportation Company (STC)

STC is charged with the responsibility of providing a comprehensive bus transportation service for the people of Saskatchewan.

STC has changed its fiscal year end from October 31 to December 31. The amounts reported include fourteen months of STC's operations.

#### Saskatchewan Forest Products Corporation (SFPC)

In accordance with a sale agreement dated April 28, 1995, and effective April 30, 1995, SFPC transferred substantially all of its assets and liabilities to the Government in exchange for a settlement of \$40.2 million in equity advances from the Government. The Government, through CIC Forest Products Limited, a wholly owned share capital subsidiary of the Government, subsequently contributed the assets to Saskfor MacMillan Limited Partnership, effective April 30, 1995, for a 50 per cent interest in the partnership. SFPC ceased to have active business operations after the execution of the sale agreement. Subsequent to the transfer of the assets, the Government forgave \$5.2 million of advances due to the Government by SFPC and agreed to provide SFPC with an additional \$974 thousand to effect the cessation of operations of SFPC.

#### Saskatchewan Liquor and Gaming Authority (SLGA)

SLGA's main functions are to control the manufacturing and distribution of beverage alcohol throughout the Province, to oversee the licensing of all establishments selling alcohol in the Province, and to maintain the integrity of all licensed gaming while ensuring maximum benefit to Saskatchewan charities.

#### Municipal Financing Corporation of Saskatchewan (MFC)

MFC assists municipalities in financing their capital requirements.

#### Saskatchewan Government Insurance (SGI) & Saskatchewan Auto Fund (Auto Fund)

SGI's competitive general insurance business, known as SGI CANADA, offers a comprehensive line of home, tenant, farm, automobile extension, and commercial coverage.

The Auto Fund, the Province's compulsory automobile insurance program, is administered by SGI CANADA on behalf of the Government. Any net assets of the Auto Fund are for the future benefit of Saskatchewan's motoring public and are not used for the payment of dividends to the General Revenue Fund.

#### Workers' Compensation Board (Saskatchewan) (WCB)

WCB's primary function is to provide workers' compensation insurance to Saskatchewan workers and employers. Any net assets of the WCB accrue to employers and cannot be used for the payment of dividends to the General Revenue Fund.

#### Other Government Enterprises

Other government enterprises includes the following:

- **Saskatchewan Centre of the Arts Fund** - conducts all financial transactions required to maintain, operate and manage the Saskatchewan Centre of the Arts in Regina.
- **Saskatchewan Gaming Corporation** - operates, manages and conducts permanent casinos in Saskatchewan.
- **Saskatchewan Government Growth Fund Management Corporation (SGGFMC)** - manages venture capital funds under the federal government's Immigrant Investor Program. The venture capital funds act as a vehicle for foreign investors to invest in Saskatchewan businesses and to facilitate the investor's qualification as a permanent Canadian resident.
- **South Saskatchewan River Irrigation District No. 1** - operates and maintains a water delivery system for irrigation of farmland within district boundaries in the Outlook area.

#### Saskatchewan Opportunities Corporation (SOCO)

SOCO has been reclassified to a government service organization. The prior year's comparative figures have not been restated to conform with the current year's presentation. The reclassification does not materially affect the financial statements.



# Government of Saskatchewan

## Schedules to the Summary Financial Statements

### Schedule 4 - Other Investments

		(thousands of dollars)	
	Voting Percentages	1996	1995
<b>Investments</b>			
Bi-Provincial Upgrader, Lloydminster, Saskatchewan*			
joint venture interest.....	50.0%	\$ 204,366	\$ 212,090
Cameco Corporation*			
6,043,623 (1995 - 15,543,623) common shares.....	11.4%	126,721	303,543
Saskferco Products Inc. *			
68,449,080 (1995 - 68,449,080) class B common shares.....	49.0%	87,946	72,188
HARO Financial Corporation*			
68,000,000 (1995 - Nil) class B non-voting common shares.....	-	68,000	-
Wascana Energy Inc.*			
5,842,910 (1995 - 5,842,910) common shares.....	7.4%	47,044	47,044
Saskfor MacMillan Limited Partnership*			
partnership interest.....	50.0%	43,075	-
Meadow Lake Pulp Limited Partnership*			
partnership interest.....	49.0%	(5,382)	(36,003)
NewGrade Energy Inc.*			
common shares and debentures.....	50.0%	(77,698)	(28,527)
Other share investments - equity basis.....		7,230	6,613
Other share investments - cost basis.....		5,752	6,540
		<b>507,054</b>	<b>583,488</b>
<b>Bonds and Debentures</b>			
HARO Financial Corporation*.....		352,506	271,000
Meadow Lake Pulp Limited Partnership*			
participating debentures.....		188,431	187,607
Other bonds and debentures.....		25,105	29,475
		<b>566,042</b>	<b>488,082</b>
<b>Loans, Notes and Mortgages Receivable</b>			
Cadillac Fairview Corporation Limited.....		39,546	40,064
Dairy Producers Co-operative Limited.....		-	10,500
Other loans, notes and mortgages receivable.....		54,875	73,335
		<b>94,421</b>	<b>123,899</b>
<b>Property Holdings</b>			
		<b>60,391</b>	<b>61,497</b>
<b>Total Other Investments</b>		<b>\$ 1,227,908</b>	<b>\$ 1,256,966</b>

\*(See accompanying notes)

## Government of Saskatchewan

### Schedules to the Summary Financial Statements

#### Schedule 4 (continued) - Other Investments

##### Bi-Provincial Upgrader Joint Venture (Bi-Provincial Upgrader)

As at December 31, 1994, the Government owned a 17.5% equity interest in the Bi-Provincial Upgrader. The Government's initial commitment was to fund its proportionate share, or \$221.7 million, of the original estimated capital cost of the project. During 1991 and 1992, cost overruns of \$365.0 million were incurred. The Government's proportionate share of these overruns would have been \$63.9 million and a write-down was recorded in 1991 to reflect these overruns. The Government agreed to fund only \$30.6 million of this amount.

On February 7, 1995, the Government purchased 58% of the joint venture interests of the Governments of Canada and Alberta in the Bi-Provincial Upgrader for \$43.1 million. As a result of this purchase, the Government holds a 50% equity interest in the joint venture. This investment is accounted for using the equity method.

As at December 31, 1995, the Government's carrying value of the Bi-Provincial Upgrader investment was \$138.8 million plus \$65.6 million in advances receivable for operating cash shortfall support loans.

##### Cameco Corporation (Cameco)

As at December 31, 1995, the Government owned 15,543,623 voting common shares of Cameco representing a 29.5 (1994 - 29.7) per cent interest. These shares are accounted for using the equity method.

On March 20, 1996, the Government sold 9,500,000 shares of its investment in Cameco for net proceeds of \$689.4 million resulting in a gain of \$490.2 million. The Government received proceeds of \$330.8 million on March 20, 1996, representing the first of two instalment payments. The second instalment of \$358.6 million is due March 20, 1997.

As at March 31, 1996, the Government holds 6,043,623 voting common shares of Cameco representing an 11.4 per cent interest. As at March 20, 1996, these shares are accounted for using the cost method. The Government also holds one Class B share which allows them to exercise special voting rights with respect to the location of Cameco's head office.

##### Saskferco Products Inc. (Saskferco)

The Government owns all of the outstanding Class B common shares of Saskferco representing a 49% voting interest. These shares are accounted for using the equity method. The Government has fully funded its obligation to provide initial equity to Saskferco of \$66.4 million. The Government has also advanced \$2.0 million (1994 - \$2.0 million) to fund construction cost overruns by purchasing Class B shares.

##### HARO Financial Corporation (HARO)

(i) The Government entered into various agreements with HARO to provide a loan to HARO up to a maximum initial

principal amount of \$275.0 million. HARO used the funds to repay a previous loan used to finance the acquisition of an ownership interest in Crown Life Insurance Company (Crown Life). The Government had advanced \$271.0 million to December 31, 1995 (1994 - \$271.0 million). The loan is for an initial five-year term commencing on December 15, 1992, with a maximum of four five-year renewal terms at the option of HARO. Provision is made whereby, under certain conditions, the initial principal amount of the loan may be increased after the first five-year term if no refinancing has occurred.

Payment of principal and interest is subject to available cash flow. Unpaid accrued interest is compounded annually and added to the principal balance. Due to the uncertainty of the timing of future cash payments, interest income earned is recorded when payments are received under the cash flow formula. There were no payments made during the year. Total interest owing to the Government at December 31, 1995 was \$64.7 million (1994 - \$38.8 million).

All amounts outstanding are due and payable on December 15, 2017. On that date any balance of principal and interest outstanding will be converted into a maximum of 94 per cent of HARO equity shares. The Government has a unilateral right to convert not less than 25 per cent of the loan to either non-voting, fully participating or common equity shares of HARO. In addition, the Government can exercise a unilateral right to convert the loan into 94 per cent of HARO's assets. Any conversion may be subject to regulatory approval. Security for the loan is 100 per cent of the assets of HARO.

On February 10, 1995, HARO converted all of its 1,250,000 Crown Life third preferred shares for 2,227,381 Crown Life common shares representing a 64.5% ownership of Crown Life.

On October 24, 1995, the Government exercised its right to convert \$68.0 million of the loan into 68,000,000 non-voting, fully participating equity shares of HARO. The Government has a unilateral right to exchange these for common equity shares or 94 per cent of the assets of HARO. Both exchange rights may be subject to regulatory approval. The Government's right to dividends and property of HARO on liquidation is limited to 94 per cent regardless of the number or class of shares owned of HARO. These shares are accounted for using the cost method.

- (ii) On March 22, 1995, the government entered into an irrevocable commitment to lend HARO up to \$150.0 million to purchase convertible debentures issued by Crown Life. On June 15, 1995, the Government entered into an Additional Loan Agreement with HARO and \$149.5 million was advanced to HARO on July 31, 1995. HARO purchased convertible debentures of Crown Life. The loan is for an initial term commencing July 31, 1995 and



## Government of Saskatchewan Schedules to the Summary Financial Statements

### Schedule 4 (continued) - Other Investments

ending December 15, 1997 with a maximum of four five-year renewal terms at the option of HARO.

Interest is payable each January 31 and July 31 throughout the term of the Additional Loan and is calculated for each interest period at the average of the 90 day Bankers' Acceptance rate based on the Canadian Interbank Bid Rate plus 1.05 per cent.

Payment of principal and interest is based on 100 per cent of the cash flow received by HARO from Crown Life Debentures. There were no principal payments made during the year. Accrued interest recorded to December 31, 1995 was paid in full on January 31, 1996.

The Government has a unilateral right to exchange the balance owing on the Additional Loan for the Debentures of Crown Life owned by HARO. The security for the Additional Loan consists of all Crown Life Debentures owned by HARO. In the event of a conversion, any securities acquired by HARO become security for the Additional Loan.

#### Wascana Energy Inc.

The Government owns 5,842,910 voting common shares of Wascana Energy Inc. representing a 7.4% voting interest. These shares are accounted for using the cost method.

#### Saskfor MacMillan Limited Partnership (SMLP)

The partnership was entered into on April 30, 1995 by CIC Forest Products Limited (CIC FPL) and MacMillan Bloedel Limited. The Government, through CIC FPL, a wholly owned share capital subsidiary of the Government, transferred assets equal to \$40.2 million in exchange for a 50 per cent interest in the partnership.

SMLP was formed to operate an existing plywood mill at Hudson Bay and an existing sawmill at Carrot River. As well, SMLP will design, construct and operate a new oriented strand board mill adjacent to the plywood mill at Hudson Bay.

#### Meadow Lake Pulp Limited Partnership (MLPLP)

The Government has entered into various agreements with the MLPLP and its agent, Millar Western Pulp (Meadow Lake) Ltd., to assist in the construction of a chemi-thermomechanical pulp mill located near Meadow Lake, Saskatchewan. The total loan commitment is comprised of three distinct loans.

- The Participating Debenture bearing interest at 11.15% calculated on October 31 of each year.
- The Term Loan bearing interest at the Canadian Imperial Bank of Commerce (CIBC) prime rate plus 1/4%, which is paid monthly.
- The Contingency Loan has an original principal balance of \$7.3 million and bears interest at the CIBC prime interest rate plus 1%, calculated annually. Any interest outstanding and not paid on October 31 of each year is

added to the principal balance.

Contemporaneously with the interest calculation on the Participating Debenture, the Government records an equal amount as a separate loan (Interest Loan) to MLPLP. Interest on the Interest Loan, at 11.15%, is calculated on October 31 of each year and is added to the principal balance outstanding on the loan. Interest income earned and subsequently forming part of the Interest Loan is recorded as deferred income due to the uncertainty of the timing of future cash payments. The deferred interest income will be recorded as income when payments are received under the cash availability formula.

Any payments to be made respecting the Participating Debenture, the Contingency Loan and the Interest Loan are subject to MLPLP achieving certain cash flows as specifically defined in the loan agreements. Any payments due to the Government are applied firstly to repay interest and principal outstanding under the Contingency Loan then to the Interest Loan and then to amounts outstanding under the Participating Debenture. Payments towards principal outstanding on the Term Loan are due in two equal payments after MLPLP has fully repaid an external bank loan. The Contingency Loan, Participating Debenture and Term Loan mature in the year 2014. Any Interest Loan balance outstanding on October 31, 2014 shall bear interest at the rate equal to the cost of borrowing for the Province of Saskatchewan on that date until paid in full.

#### NewGrade Energy Inc. (NewGrade)

On October 21, 1994, the Government, Consumers' Co-Operative Refineries Limited (CCRL) and the Government of Canada (Canada) completed a financial restructuring of NewGrade.

- (i) The Government exchanged its one Class B voting non-participating common share with a stated value of \$1.0 thousand for 50 Class Y voting participating common shares. In addition, the Government purchased 50 Class Y voting participating common shares for \$50.0 million.
- (ii) Class C and D shares held by the Government were cancelled by NewGrade.
- (iii) The Government forgave its Class C, D and E subordinated debentures with a stated value of \$142.8 million.
- (iv) The Government provided NewGrade with \$10.0 million in grants to reduce its operating line of credit. The Government has committed to providing NewGrade with a further \$15.0 million in grants to reduce NewGrade's guaranteed debt. Of these grants, \$10.0 million was paid in 1995-96 and \$5.0 million is to be paid in 1996-97.
- (v) The Government indemnified Canada for its loan guarantees, to a maximum of \$275.0 million, in exchange for a cash contribution by Canada to NewGrade of \$125.0 million.

## Government of Saskatchewan Schedules to the Summary Financial Statements

### Schedule 4 (continued) - Other Investments

- (vi) In addition, should there be any operating shortfall at the end of any year, the Government will loan NewGrade up to \$2.0 million, escalated by inflation, in the form of a Subordinated Operations Fee Amount after CCRL has provided its \$2.0 million Subordinated Operations Fee Amount. If these loans do not cover all cash shortfalls then the Government will loan NewGrade up to \$4.0 million as a Cash Flow Deficiency Loan on a pro-rata basis with CCRL. If this facility is exhausted, the Government will loan NewGrade the remainder to cover any other operating shortfalls. These loans, if any, will bear interest at CCRL's rate of borrowing.

As at December 31, 1995, the Government owned 50% of the outstanding voting participating shares of NewGrade and also holds certain promissory notes due from NewGrade. These shares are accounted for using the equity method.

#### Market Values

The market values of the Government's publicly traded investments at March 31, 1996 were as follows (millions of dollars):

Cameco .....	\$	435.9
Wascana Energy Inc. ....		74.5

## Government of Saskatchewan Schedules to the Summary Financial Statements

### Schedule 5 - Accounts Payable and Accrued Liabilities

	(thousands of dollars)	
	1996	1995
Grants and entitlements.....	\$ 413,971	\$ 401,774
Accrued interest.....	307,319	323,366
Due to the federal government.....	257,657	494,036
Trade.....	161,865	149,276
Accrued employee benefits.....	112,277	90,950
Capital lease obligations (note 10).....	59,585	72,009
Public employee benefit plans claims payable.....	48,639	52,144
Producers' interest in Gross Revenue Insurance Program.....	-	254,155
Other.....	23,098	34,875
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 1,384,411</b>	<b>\$ 1,872,585</b>

### Schedule 6 - Other Liabilities

	(thousands of dollars)	
	1996	1995
<b>Funds held on behalf of government enterprises and others</b>		
Saskatchewan Liquor and Gaming Authority.....	\$ 197,428	\$ 241,001
Queen's Bench Court Account.....	7,296	7,230
Public Trustee's Trust Account.....	3,780	3,065
Beef Development Plan.....	2,130	2,236
Others.....	10,021	10,115
Miscellaneous.....	6,381	1,986
<b>Total Other Liabilities</b>	<b>\$ 227,036</b>	<b>\$ 265,633</b>



# Government of Saskatchewan

## Schedules to the Summary Financial Statements

### Schedule 7 - Public Debt

	(thousands of dollars)			
	1996		1995	
	Gross Public Debt	Less Sinking Funds	Public Debt	Public Debt
<b>Government Service Organizations</b>				
General Revenue Fund *	\$ 8,707,361	\$ 141,807	\$ 8,565,554	\$ 8,276,647
Crown Investments Corporation of Saskatchewan (non-consolidated)**	779,634	-	779,634	947,986
Agricultural Credit Corporation of Saskatchewan	292,756	-	292,756	379,253
Saskatchewan Housing Corporation	287,304	-	287,304	287,304
Saskatchewan Crop Insurance Corporation	164,656	-	164,656	169,025
Saskatchewan Opportunities Corporation	57,726	-	57,726	-
Saskatoon District Health Board	22,008	-	22,008	22,008
Saskatchewan Water Corporation	22,830	1,482	21,348	14,926
Prince Albert District Health Board	5,679	-	5,679	3,949
Saskatchewan Development Fund Corporation	3,802	-	3,802	6,242
Regina District Health Board	-	-	-	4,500
<b>Debt of Government Service Organizations***</b>	<b>10,343,756</b>	<b>143,289</b>	<b>10,200,467</b>	<b>10,111,840</b>
<b>Government Enterprises</b>				
Saskatchewan Power Corporation	2,106,023	229,214	1,876,809	1,943,113
SaskEnergy Incorporated	766,149	18,516	747,633	638,891
Saskatchewan Telecommunications Holding Corporation	551,631	106,617	445,014	569,426
Municipal Financing Corporation of Saskatchewan	89,667	-	89,667	92,667
Saskatchewan Transportation Company	12,400	-	12,400	3,900
Saskatchewan Economic Development Corporation	-	-	-	203,000
Saskatchewan Opportunities Corporation	-	-	-	6,000
Other	150	-	150	947
	<b>3,526,020</b>	<b>354,347</b>	<b>3,171,673</b>	<b>3,457,944</b>
Net increase to March 31	253,580	17,701	235,879	4,014
<b>Debt of Government Enterprises ****</b>	<b>3,779,600</b>	<b>372,048</b>	<b>3,407,552</b>	<b>3,461,958</b>
<b>Total Public Debt</b>	<b>\$ 14,123,356</b>	<b>\$ 515,337</b>	<b>\$ 13,608,019</b>	<b>\$ 13,573,798</b>

Debt repayable in foreign currency has been restated in Canadian dollar equivalents.

\* General Revenue Fund debt is shown net of \$3,344.4 million (1995 - \$3,361.6 million) reimbursable from government enterprises and \$1,613.2 million (1995 - \$1,809.0 million) reimbursable from government service organizations.

\*\* Crown Investments Corporation of Saskatchewan (non-consolidated) is shown net of \$13.8 million (1995 - \$10.5 million) reimbursable from government enterprises.

\*\*\* This amount includes Canada Pension Plan debentures of \$867.1 million (1995 - \$929.8 million) at a weighted average interest rate of 11.50%, ranging from 8.73% to 17.51%. Of this amount, \$65.3 million is payable within one year. These debentures are redeemable

in whole or in part before maturity on six months prior notice, at the option of the Minister of Finance of Canada.

\*\*\*\* The debt of government enterprises is as presented in their audited financial statements closest to March 31, 1996. The balance is adjusted for the net change to March 31, 1996. This amount includes Canada Pension Plan debentures of \$720.2 million (1995 - \$720.3 million) at a weighted average interest rate of 10.78%, ranging from 9.04% to 14.06%. These debentures are redeemable in whole or in part before maturity, on six months prior notice, at the option of the Minister of Finance of Canada.

# Government of Saskatchewan

## Schedules to the Summary Financial Statements

### Schedule 8 - Public Debt by Maturity

(thousands of dollars)						
Year of Maturity	1996				1995	
	Canadian Dollar Debt	U.S. Dollar Debt (CDN \$)	Total (CDN \$)	Average Interest Rate	Total (CDN\$)	Average Interest Rate
<b>Government Service Organizations</b>						
Short term promissory notes.....	\$ 127,586	\$ -	\$ 127,586	5.27%	\$ 69,011	7.80%
1995-96.....	-	-	-		498,621	11.03%
1996-97.....	1,081,102	-	1,081,102	8.87%	1,084,675	8.92%
1997-98.....	675,709	-	675,709	8.76%	686,636	8.77%
1998-99.....	1,052,691	-	1,052,691	9.33%	928,609	9.53%
1999-2000.....	1,245,961	-	1,245,961	8.43%	1,152,854	8.61%
2000-01.....	1,302,769	-	1,302,769	10.43%	-	-
<b>1-5 years</b>	<b>5,485,818</b>	<b>-</b>	<b>5,485,818</b>		<b>4,420,406</b>	
6-10 years.....	2,309,201	-	2,309,201	9.39%	3,217,709	10.06%
11-15 years.....	415,623	-	415,623	10.15%	341,452	9.98%
16-20 years.....	714,063	852,000	1,566,063	8.85%	1,662,453	8.93%
21-25 years.....	326	408,960	409,286	9.21%	147	5.13%
26-30 years.....	21,445	136,320	157,765	8.58%	574,600	9.05%
	<u>\$ 8,946,476</u>	<u>\$ 1,397,280</u>	<u>10,343,756</u>		<u>10,216,767</u>	
Less: Sinking funds			(143,289)		(104,927)	
<b>Debt of Government Service Organizations *</b>			<b>10,200,467</b>		<b>10,111,840</b>	
<b>Government Enterprises</b>						
Short term promissory notes.....	\$ 128,100	\$ -	\$ 128,100	5.27%	\$ 15,989	7.80%
1995-96.....	-	-	-		297,158	13.68%
1996-97.....	190,979	-	190,979	11.37%	172,218	11.81%
1997-98.....	3,500	-	3,500	11.00%	3,500	11.00%
1998-99.....	84,424	-	84,424	8.65%	84,837	8.64%
1999-2000.....	51,000	-	51,000	9.92%	51,000	9.92%
2000-01.....	125,653	-	125,653	11.48%	-	-
<b>1-5 years</b>	<b>583,656</b>	<b>-</b>	<b>583,656</b>		<b>624,702</b>	
6-10 years.....	1,310,090	68,160	1,378,250	10.99%	1,323,371	11.18%
11-15 years.....	443,193	278,093	721,286	8.72%	889,179	8.98%
16-20 years.....	23,888	102,240	126,128	7.84%	145,084	8.11%
21-25 years.....	-	272,640	272,640	9.38%	-	-
26-30 years.....	425,000	272,640	697,640	8.96%	809,600	9.14%
	<u>\$ 2,785,827</u>	<u>\$ 993,773</u>	<u>3,779,600</u>		<u>3,791,936</u>	
Less: Sinking funds			(372,048)		(329,978)	
<b>Debt of Government Enterprises *</b>			<b>3,407,552</b>		<b>3,461,958</b>	
<b>Total Public Debt</b>			<b>\$ 13,608,019</b>		<b>\$ 13,573,798</b>	

U.S. dollar debentures have been converted to Canadian (Cdn) dollars at the exchange rate in effect at March 31, 1996.

\* The debt of government service organizations includes Canada Pension Plan debentures of \$867.1 million (1995 - \$929.8 million) at a weighted average interest rate of 11.50%, ranging from 8.73% to 17.51%. Of this amount, \$65.3 million is payable within one year. The debt of government enterprises includes Canada Pension Plan debentures of \$720.2 million (1995 - \$720.3 million) at a weighted average interest rate of 10.78%, ranging from 9.04% to 14.06%. These debentures are redeemable in whole or in part before maturity, on six months prior notice, at the option of the Minister of Finance of Canada.

Included in total public debt are the following amounts:

- debentures totalling 22.5 billion yen (1995 - 37.0 billion) fully hedged to \$241.3 million Cdn (1995 - \$356.3 million).
- debentures totalling 550.0 million U.S. dollars (1995 - 560.0 million) fully hedged to \$744.9 million Cdn (1995 - \$756.6 million).
- debentures totalling 900.0 million Deutschmarks (1995 - 900.0 million) fully hedged to \$616.6 million Cdn (1995 - \$616.6 million).
- debentures totalling 650.0 million Swiss francs (1995 - 650.0 million) fully hedged to \$478.9 million Cdn (1995 - \$478.9 million).

# Government of Saskatchewan

## Schedules to the Summary Financial Statements

### Schedule 9 - Guaranteed Debt

	(thousands of dollars)	
	1996	1995 (Restated)
The NewGrade Energy Inc. Act		
NewGrade Energy Inc. *..... \$	376,830	\$ 409,363
The Industry and Commerce Development Act		
Saskferco Products Inc. *.....	292,543	323,169
The Saskatchewan Housing Corporation Act		
Home improvement loan program.....	71,598	111,282
Mortgage guarantee program.....	17,635	20,000
The Power Corporation Act		
Manalta Coal **.....	34,202	35,531
National Trust Company.....	19,983	21,237
Crown Investments Corporation of Saskatchewan (non-consolidated)		
IPSCO Inc.....	52,100	56,473
Saskferco Products Inc.....	-	17,825
The Farm Financial Stability Act		
The Feeder associations loan guarantees.....	26,841	25,959
The Breeder associations loan guarantees.....	19,126	17,450
Other ***.....	21,575	19,726
<b>Total Guaranteed Debt</b>	<b>\$ 932,433</b>	<b>\$ 1,058,015</b>

Total guaranteed debt is net of a loss provision of \$6.1 million (1995 - \$4.4 million).

In addition to the amount shown, there is a contingent liability for interest accrued on these items.

\* A significant portion of this guarantee pertains to debt denominated in U.S. dollars. Thus, the amount of the guarantee is influenced by changes in the value of the U.S. dollar relative to the Canadian dollar.

\*\* The amount is net of \$10.8 million (1995 - \$9.5 million) which is Manalta's equity in a sinking fund administered by the Minister of Finance.

\*\*\* Represents guarantees under \$10 million including guarantees issued under The Community Bonds Act of \$8.1 million (1995 - \$13.0 million).



# Government of Saskatchewan

## Schedules to the Summary Financial Statements

### Schedule 10 - Revenue

	(thousands of dollars)	
	1996	1995 (Restated)
<b>Taxation</b>		
Corporation capital.....	\$ 221,169	\$ 196,633
Corporation income.....	237,830	161,866
Fuel.....	340,729	331,628
Individual income.....	1,111,444	1,057,489
Sales.....	778,970	728,804
Tobacco.....	114,181	115,587
Other.....	49,564	50,257
	<b>2,853,887</b>	<b>2,642,264</b>
<b>Transfers from the federal government</b>		
Canada Assistance Plan.....	249,463	238,948
Crop insurance premium contributions.....	44,994	187,400
Equalization.....	215,469	540,240
Established Programs Financing.....	380,704	414,824
Housing subsidy.....	11,492	11,568
Other.....	143,571	118,774
	<b>1,045,693</b>	<b>1,511,754</b>
<b>Non-renewable resources</b>		
Coal.....	15,170	15,706
Natural gas.....	41,337	61,410
Oil.....	447,343	528,572
Potash.....	122,282	88,990
Uranium.....	44,717	20,152
Water.....	18,516	15,413
Other.....	2,485	2,907
	<b>691,850</b>	<b>733,150</b>
<b>Gain on sale of Cameco shares</b>	<b>490,222</b>	<b>11,685</b>
<b>Other</b>		
Equity investments.....	11,143	59,280
Other interest and investments.....	137,954	116,986
Fees/permits/licences.....	309,828	294,595
Insurance.....	105,767	211,300
Miscellaneous.....	209,392	198,565
	<b>774,084</b>	<b>880,726</b>
<b>Total Revenue</b>	<b>\$ 5,855,736</b>	<b>\$ 5,779,579</b>

## Government of Saskatchewan Schedules to the Summary Financial Statements

### Schedule 11 - Gains and Losses on Loans and Investments

	(thousands of dollars)	
	1996	1995
Gain on sale of PCS Inc. shares.....	\$ -	\$ 2,433
Gain on sale of Cameco shares.....	490,222	11,685
Earnings (losses) from equity investments		
Cameco.....	30,141	24,100
Meadow Lake Pulp Limited Partnership.....	29,624	(14,518)
Saskferco Products Inc.....	22,939	10,948
Saskfor MacMillan Limited Partnership.....	2,875	-
Bi-Provincial Upgrader.....	(18,846)	(18,841)
NewGrade Energy Inc.....	(56,363)	56,576
Other.....	773	1,015
Other.....	-	20
<b>Net Gain on Loans and Investments</b>	<b>\$ 501,365</b>	<b>\$ 73,418</b>

### Schedule 12 - Net Change in Non-cash Operating Activities

	(thousands of dollars)	
	1996	1995
Decrease (increase) in prepaid expenses.....	\$ 8,322	\$ (9,799)
Decrease (increase) in accounts receivable.....	(94,518)	(396,003)
Decrease (increase) in inventories held for resale.....	(2,858)	(4,124)
Decrease (increase) in deferred charges.....	8,288	(2,666)
Decrease (increase) in loans receivable.....	(12,997)	91,615
Increase (decrease) in accounts payable and accrued liabilities.....	(488,174)	343,426
Increase (decrease) in unearned revenue.....	357	5,871
<b>Net Change in Non-cash Operating Activities</b>	<b>\$ (581,580)</b>	<b>\$ 28,320</b>



# Government of Saskatchewan

## Schedules to the Summary Financial Statements

### Schedule 13 - Reporting Entity

#### Government Service Organizations (Consolidated)

Agricultural Credit Corporation of Saskatchewan  
 Agricultural Implements Board  
 Agri-Food Innovation Fund  
 Carlton Trail Regional College  
 Cattle Marketing Deductions Fund  
 CIC Industrial Interests Inc.  
 CIC Mineral Interests Corporation  
 Commercial Revolving Fund  
 Conservation and Development Revolving Fund  
 Correctional Facilities Industries Revolving Fund  
 Correspondence School Revolving Fund  
 Crop Reinsurance Fund of Saskatchewan  
 Crown Investments Corporation of Saskatchewan  
 (non-consolidated)  
 Cumberland Regional College  
 Cypress Hills Regional College  
 Fish and Wildlife Development Fund  
 General Revenue Fund  
 Health Services Utilization and Research Commission  
 Highways Revolving Fund  
 Horned Cattle Fund  
 La Ronge Hospital Board  
 Law Reform Commission of Saskatchewan  
 Milk Control Board  
 New Careers Corporation  
 North West Regional College  
 Northern Revenue Sharing Trust Account  
 Northlands College  
 Oil and Gas Environmental Fund  
 Parkland Regional College  
 Prairie Agricultural Machinery Institute  
 Prairie West Regional College  
 Prince Albert District Health Board  
 Public Employees Benefits Agency Revolving Fund  
 Public Employees Dental Fund  
 Public Employees Disability Income Fund  
 Public Employees Group Life Insurance Fund  
 Queen's Printer Revolving Fund  
 Regina District Health Board  
 Resource Protection and Development Revolving Fund  
 Saskatchewan Archives Board  
 Saskatchewan Arts Board  
 Saskatchewan Book Bureau Revolving Fund

Saskatchewan Cancer Foundation  
 Saskatchewan Communications Network Corporation  
 Saskatchewan Crop Insurance Corporation  
 Saskatchewan Development Fund Corporation  
 Saskatchewan Energy Conservation and Development Authority  
 Saskatchewan Grain Car Corporation  
 Saskatchewan Heritage Foundation  
 Saskatchewan Housing Corporation  
 Saskatchewan Indian Regional College  
 Saskatchewan Institute of Applied Science and Technology  
 Saskatchewan Legal Aid Commission  
 Saskatchewan Lotteries Trust Fund For Sport, Culture and  
 Recreation  
 Saskatchewan Opportunities Corporation  
 Saskatchewan Property Management Corporation  
 Saskatchewan Research Council  
 Saskatchewan Student Aid Fund  
 Saskatchewan Water Corporation  
 Saskatchewan Western Development Museum  
 Saskatchewan Wetland Conservation Corporation  
 Saskatoon District Health Board  
 Southeast Regional College  
 St. Louis Alcoholism Rehabilitation Centre  
 Transportation Partnerships Corporation  
 Victims' Fund  
 Water Appeal Board  
 Whitespruce Youth Treatment Centre

#### Government Enterprises (Modified Equity Method)

Municipal Financing Corporation of Saskatchewan  
 Saskatchewan Auto Fund  
 Saskatchewan Centre of the Arts Fund  
 SaskEnergy Incorporated  
 Saskatchewan Forest Products Corporation  
 Saskatchewan Gaming Corporation  
 Saskatchewan Government Growth Fund Management  
 Corporation  
 Saskatchewan Government Insurance  
 Saskatchewan Liquor and Gaming Authority  
 Saskatchewan Power Corporation  
 Saskatchewan Telecommunications Holding Corporation  
 Saskatchewan Transportation Company  
 South Saskatchewan River Irrigation District No. 1  
 Workers' Compensation Board (Saskatchewan)



**General Revenue Fund - Details of Debentures  
(unaudited)**

## General Revenue Fund Public Issue Debentures

Date of Issue	Date of Maturity	Interest		Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution 1995-96
		Rate %	Interest Payments						
April 1/81	April 1/96	13%	Semiannual	Can.	GRF.....	25,000,000	145,218,000	---	---
					SaskPower.....	73,955,500			
					SaskTel.....	46,262,500			
(Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)									
April 16/86	April 16/96	9%	Semiannual	Can.	GRF.....	165,000,000	200,000,000	---	---
					CIC.....	35,000,000			
(Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)									
Sept. 17/86	Sept. 17/96	9	Semiannual	Can.	GRF.....	285,000,000	285,000,000	---	---
(Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)									
Dec. 11/86	Dec. 11/96	9	Semiannual	Can.	GRF.....	106,326,000	106,326,000	---	---
(Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)									
Feb. 4/92	Feb. 4/97	8%	Semiannual	Can.	GRF.....	400,000,000	450,000,000	---	---
					SaskEnergy.....	50,000,000			
(Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)									
April 8/87	April 8/97	10.91	Semiannual	Can.	GRF.....	45,799,385	45,799,385	---	---
(The original 5½% 5,000,000,000 Japanese Yen loan has been converted by forward contract to Canadian dollars resulting in an all-in-cost of 10.906%; Non-callable; Payable in Tokyo)									
July 15/92	July 15/97	7	Annual	Can.	GRF.....	126,659,400	126,659,400	---	---
(Redeemable annually at the option of the holder or anytime on the death of the holder; The Province reserves the right to increase the interest rate after July 14, 1993; Payable at any Saskatchewan branch of a chartered bank, trust company, and the Credit Union Central of Saskatchewan)									
Oct. 22/90	Oct. 22/97	9.672	Annual	Can.	GRF.....	241,683,775	241,683,775	---	---
(The original issue of 400,000,000 Deutschmark has been swapped into 334,048,065 Swiss Francs and further swapped into Canadian dollars with an internal rate of return of 9.672%; Non-callable; Payable in Frankfurt/Main, Zurich, London, Luxembourg)									
Nov. 27/87	Nov. 27/97	9.583	Annual	Can.	GRF.....	75,175,979	75,175,979	---	---
(The original issue of 5¼% 100,000,000 Swiss Francs has been converted by forward contract to Canadian dollars resulting in an all-in-cost of 9.583%; Non-callable; Payable in Zurich)									
Feb. 17/88	Feb. 17/98	8.014	Annual	Can.	GRF.....	111,692,874	111,692,874	---	---
(The original issue of 4¼% 150,000,000 Swiss Francs has been converted by forward contract to Canadian dollars resulting in an all-in-cost of 8.014%; Non-callable; Payable in Zurich)									
Feb. 2/88	May 1/98	10%	Semiannual	Can.	GRF.....	10,700,000	10,700,000	---	---
(Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)									
July 3/91	July 3/98	10%	Semiannual	Can.	GRF.....	300,000,000	600,000,000	---	---
					CIC.....	250,000,000			
					SaskEnergy.....	50,000,000			
(Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)									



Date of Issue	Date of Maturity	Interest Rate %	Interest Payments	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution 1995-96
July 15/93	July 15/98	6%	Annual	Can.	GRF.....	58,627,700	58,627,700	---	---
(Redeemable annually at the option of the holder or anytime on the death of the holder; The Province reserves the right to increase the interest rate after July 14, 1994; Payable at any Saskatchewan branch of a chartered bank, trust company and the Credit Union Central of Saskatchewan)									
Sept. 11/95	Nov. 2/98	7.65	Semiannual	Can.	CIC.....	100,000,000			
					ACS.....	30,000,000	130,000,000	---	---
(Non-callable; Payable in Toronto)									
Feb. 19/92	Feb. 19/99	9.14	Semiannual	Can.	GRF.....	220,784,929	220,784,929	---	---
(The original issue of 8¼% 300,000,000 Deutschemark has been converted to Canadian dollars resulting in an all-in-cost of 9.14%; Non-callable; Payable in Frankfurt)									
July 6/89	July 6/99	9%	Semiannual	Can.	GRF.....	225,000,000			
					CIC.....	25,000,000			
					SaskPower.....	50,000,000	300,000,000	---	---
(Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)									
July 15/94	July 15/99	8	Annual	Can.	GRF.....	781,980,200	781,980,200	---	---
(Redeemable annually at the option of the holder or anytime on the death of the holder; The Province reserves the right to increase the interest rate after July 14, 1995; Payable at any Saskatchewan branch of a chartered bank, trust company and the Credit Union Central of Saskatchewan)									
Feb. 14/96	Feb. 14/00	6%	Semiannual	Can.	GRF.....	125,000,000	125,000,000	---	---
(Non-callable; Payable in Toronto)									
June 2/80	June 2/00	11%	Semiannual	Can.	SaskPower.....	50,000,000			
					SaskTel.....	22,153,000	72,153,000	29,477,229	721,530
(Callable in whole but not in part on any interest payment date on or after June 2, 1997; Payable at any Canadian branch of the Royal Bank of Canada)									
July 12/90	July 12/00	11%	Semiannual	Can.	GRF.....	425,000,000			
					CIC.....	25,000,000	450,000,000	---	---
(Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)									
July 15/95	July 15/00	6%	Annual	Can.	GRF.....	162,486,500	162,486,500	---	---
(Redeemable annually at the option of the holder or anytime on the death of the holder; The Province reserves the right to increase the interest rate after July 14, 1996; Payable at any Saskatchewan branch of a chartered bank, trust company and the Credit Union Central of Saskatchewan)									
Aug. 17/90	Aug. 17/00	10.57	Annual	Can.	GRF.....	146,660,000	146,660,000	---	---
(The original issue of 7% 200,000,000 Swiss Franc debentures has been swapped into Canadian dollars with an internal rate of return of 10.57%; Non-callable; Payable in Zurich)									
Oct. 31/95	Oct. 31/00	7%	Semiannual	Can.	GRF.....	5,000,000	5,000,000	---	---
(Non-callable; Payable in Regina)									

## General Revenue Fund Public Issue Debentures

		Interest						Equity of	Sinking Fund
Date of Issue	Date of Maturity	Rate %	Interest Payments	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Applicable Sinking Fund	Contribution 1995-96
Jan. 9/91	Jan. 9/01	11	Semiannual	Can.	GRF.....	285,000,000			
					ACS.....	140,000,000			
					CIC.....	25,000,000			
					SaskEnergy.....	50,000,000	500,000,000	---	---
(Non-Callable; Payable at any Canadian branch of the Royal Bank of Canada)									
April 1/76	April 1/01	10%	Semiannual	Can.	SaskPower.....	50,000,000			
					SaskTel.....	25,000,000	75,000,000	48,626,340	750,000
(Callable April 1, 1996 in whole or on any interest payment date thereafter; Payable at any Canadian branch of the Royal Bank of Canada)									
April 10/91	April 10/01	10.57	Annual	Can.	GRF.....	145,360,000	145,360,000	---	---
(The original issue of 7% % 200,000,000 Swiss Franc debentures has been swapped to Canadian dollars with an effective cost of funds of 10.57%; Non-callable; Payable in Zurich)									
March 28/91	June 1/01	10%	Semiannual	Can.	GRF.....	150,000,000	150,000,000	---	---
(Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)									
March 28/91	June 1/01	8%	Semiannual	Can.	CIC.....	150,000,000	150,000,000	---	---
(Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)									
Feb. 1/77	Feb. 1/02	9	Semiannual	Can.	SaskPower.....	50,000,000			
					SaskTel.....	25,000,000	75,000,000	45,368,362	750,000
(Callable February 1, 1997 or on any interest payment date thereafter in whole but not in part; Payable at any Canadian branch of the Royal Bank of Canada)									
July 29/92	July 29/02	8%	Semiannual	Can.	GRF.....	47,700,000	47,700,000	---	---
(The original 6.04% 5,000,000,000 Japanese Yen loan has been converted by forward contract to Canadian dollars resulting in all-in-cost of 8¼%; Non-callable; Payable in Tokyo)									
Sept. 30/92	Sept. 30/02	8.21	Semiannual	Can.	GRF.....	49,613,664	49,613,664	---	---
(The original 6% 5,000,000,000 Japanese Yen loan has been converted by forward contract to Canadian dollars resulting in an all-in-cost of 8.21%; Non-callable; Payable in Tokyo)									
Dec. 1/82	Dec. 1/02	13	Semiannual	Can.	SaskTel.....	68,088,000			
					SaskPower.....	75,000,000	143,088,000	41,777,180	1,430,880
(Callable in whole but not in part on any interest payment date on or after December 1, 2000; Payable at any Canadian branch of the Royal Bank of Canada)									
Feb. 12/93	Feb. 12/03	9.055	Variable	Can.	CIC.....	154,107,820	154,107,820	---	---
(The original 200,000,000 Deutschemark issue carried interest at 11% paid annually for two years and a floating interest rate paid semi-annually for the remaining term of the debentures. Principal and interest payments have been converted by forward contract to Canadian dollars with an all-in-cost of 9.055%; Non-callable; Payable in Frankfurt/Main, Zurich, London, Luxembourg)									

Date of Issue	Date of Maturity	Interest Rate %	Interest Payments	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution 1995-96
March 30/83	March 30/03	12¼	Semiannual	Can.	SaskPower..... SaskTel..... SaskEnergy.....	127,066,000 20,605,000 <u>222,934,000</u>	370,605,000	91,516,963	3,706,050
(Callable in whole but not in part on any interest payment date on or after March 30, 2001; Payable at any Canadian branch of the Royal Bank of Canada)									
June 15/78	June 15/03	9½	Semiannual	Can.	SaskPower..... SaskTel.....	45,000,000 <u>30,000,000</u>	75,000,000	38,687,187	750,000
(Callable as a whole on June 15, 1998 or on any interest payment date thereafter; Payable at any Canadian branch of the Royal Bank of Canada)									
July 20/93	July 15/03	6%	Semiannual	U.S.	GRF..... SaskPower.....	191,850,000 <u>50,000,000*</u>	241,850,000	6,137,641	2,746,800
(The General Revenue Fund \$150,000,000 U.S. share of this issue has been swapped into Canadian dollars with an effective interest rate of 8.32%; Non-callable; Payable in New York)									
Aug. 31/93	Aug. 31/03	8.2	Semiannual	Can.	GRF.....	<u>31,040,865</u>	31,040,865	---	---
(The original 5.2% 2,500,000,000 Japanese Yen loan has been swapped into Canadian dollars with an effective interest rate of 8.2%; Non-callable; Payable in Tokyo)									
May 10/94	May 10/04	8.82	Semiannual	Can.	GRF.....	<u>67,116,600</u>	67,116,600	---	---
(The original 4.48% 5,000,000,000 Janpanese Yen loan has been swapped into Canadian dollars with an effective interest rate of 8.82%; Payable in Tokyo)									
May 15/79	May 15/04	10	Semiannual	Can.	SaskPower..... SaskTel.....	60,000,000 <u>33,196,000</u>	93,196,000	45,377,970	931,960
(Callable in whole but not in part on May 15, 1999 or on any interest payment date thereafter; Payable at any Canadian branch of the Royal Bank of Canada)									
July 26/94	July 15/04	Var.	Semiannual	Can.	GRF.....	<u>553,094,588</u>	553,094,588	5,824,523	5,493,600
(The original 8% \$400,000,000 U.S. debentures have been swapped into Canadian dollars in two parts. One part has a cost of about 9.83%; the other has a floating rate of interest at the three month Bankers' Acceptance rate minus 0.465%, reset quarterly; Payable in New York)									
Aug. 16/94	Aug. 16/04	9½	Semiannual	Can.	GRF.....	<u>300,000,000</u>	300,000,000	3,164,714	3,000,000
(Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)									
Dec. 30/86	Dec. 30/04	9%	Semiannual	Can.	SaskPower..... SaskEnergy.....	89,300,000 <u>10,700,000</u>	100,000,000	---	---
(Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)									
Dec. 19/95	Dec. 19/05	7½	Semiannual	Can.	GRF..... SaskWater..... SaskEnergy.....	218,200,000 6,800,000 <u>75,000,000</u>	300,000,000	---	---
(Non-callable; Payable in Toronto)									
March 2/83	March 1/08	9	Annual	Can.	SaskEnergy.....	<u>50,000,000</u>	50,000,000	---	---
(Non-callable; Payable in London and Toronto)									

## General Revenue Fund

### Public Issue Debentures

Date of Issue	Date of Maturity	Interest Rate %	Interest Payments	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution 1995-96
March 15/93 (Non-callable; Payable in New York)	March 15/08	7½	Semiannual	U.S.	SaskPower.....	204,000,000	204,000,000*	9,173,050	2,799,288
Jan. 18/90 (Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)	Jan. 18/10	10	Semiannual	Can.	GRF.....	300,000,000	300,000,000	23,388,662	3,000,000
Feb. 2/93 (Non-callable; Payable in New York)	Feb. 1/13	8	Semiannual	U.S.	GRF.....	400,000,000	400,000,000*	18,043,375	5,497,200
July 20/93 (Non-callable; Payable in New York)	July 15/13	7½	Semiannual	U.S.	GRF..... SaskPower.....	225,000,000 75,000,000	300,000,000*	9,206,462	4,120,200
March 14/91 (Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)	April 10/14	10¼	Semiannual	Can.	GRF.....	583,916,000	583,916,000	29,165,621	5,839,160
Dec. 1/65 (Payable in blended semi-annual payments of principal and interest totalling \$76,399.60. Prepayable in whole or in part any time prior to December 1, 2015, without penalty; Payable in Ottawa)	Dec. 1/15	5½	Semiannual	Can.	GRF..... U. of S. ....	1,482,855 414,955	1,897,810	---	---
Dec. 20/90 (Non-callable; Payable in New York)	Dec. 15/20	9%	Semiannual	U.S.	GRF..... SaskPower..... SaskTel.....	100,000,000 100,000,000 100,000,000	300,000,000*	16,014,398	2,716,800
Feb. 26/91 (Non-callable; Payable in New York)	Feb. 15/21	9½	Semiannual	U.S.	GRF.....	200,000,000	200,000,000*	15,819,628	2,748,600
Feb. 4/92 (Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)	Feb. 4/22	9.6	Semiannual	Can.	SaskPower..... SaskWater.....	250,000,000 15,000,000	265,000,000	10,69f,390	2,650,000
July 21/92 (Non-callable; Payable in New York)	July 15/22	8½	Semiannual	U.S.	GRF..... SaskPower.....	100,000,000 200,000,000	300,000,000*	14,028,815	4,120,200
May 30/95 (Non-callable; Payable at any Canadian branch of the Royal Bank of Canada)	May 30/25	8%	Semiannual	Can.	SaskPower..... SaskEnergy.....	100,000,000 75,000,000	175,000,000	---	---
* Adjustment to reflect conversion of debentures quoted in foreign currencies to Canadian dollars using the exchange rate in effect at March 31, 1996 (U.S. \$1.3632)							637,052,800	---	---
							12,189,586,889	501,493,510	53,772,268
Various debentures issued to finance union hospital debt							3,054,105	---	---
<b>Total</b>							<b>\$12,192,640,994</b>	<b>\$501,493,510</b>	<b>\$53,772,268</b>



## General Revenue Fund

### Debentures Issued to the Minister of Finance of Canada

Date of Issue	Date of Maturity	Interest Rate %	Amount Outstanding
<b>Canada Pension Plan Investment Fund*</b>			
April 1976 - March 1977	April 1996 - March 1997	9.05	\$ 65,338,000
April 1977 - March 1978	April 1997 - March 1998 **	9.04	69,290,000
April 1978 - March 1979	April 1998 - March 1999	9.56	76,002,000
April 1979 - March 1980	April 1999 - March 2000	10.58	82,345,000
April 1980 - March 1981	April 2000 - March 2001	12.70	87,129,000
April 1981 - March 1982	April 2001 - March 2002	16.67	109,647,000
April 1982 - March 1983	April 2002 - March 2003	14.67	110,084,000
April 1983 - March 1984	April 2003 - March 2004	11.60	109,328,000
April 1984 - March 1985	April 2004 - March 2005	13.37	104,274,000
April 1985 - March 1986	April 2005 - March 2006	11.48	112,507,000
April 1986 - March 1987	April 2006 - March 2007	10.40	133,709,000
April 1987 - March 1988	April 2007 - March 2008	10.40	88,333,000
April 1988 - March 1989	April 2008 - March 2009	9.92	93,932,000
April 1989 - March 1990	April 2009 - March 2010 **	10.10	101,867,000
April 1990 - March 1991	April 2010 - March 2011 **	10.85	90,318,000
April 1991 - March 1992	April 2011 - March 2012 **	9.92	90,664,000
April 1992 - March 1993	April 2012 - March 2013 **	9.37	62,705,000
			1,587,472,000
<b>The Municipal Development Loan Fund</b>			
1964 - 1967	1996 - 2007	5.375 - 5.625	55,667
<b>Agricultural Service Centres Loan Agreement</b>			
1976 - 1985	1996 - 2004	7.310 - 10.390	1,767,489
<b>Total</b>			<b>\$ 1,589,295,156</b>

\* Canada Pension Debentures have a 20 year maturity, are not callable by the Province, and are redeemable at the option of the Minister of Finance of Canada on six months notice in certain circumstances relating to the CPP's funding and solvency requirements. The interest rates shown are on a weighted average basis.

\*\* Subject in part to annual sinking funds; equity in sinking funds at March 31, 1996, \$13,843,802.



## **Glossary of Terms**

## Glossary of Terms

### Accrual Accounting

The method of accounting used to prepare the financial statements. This is the method of accounting recommended by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Accrual accounting recognizes financial transactions at the time they occur, regardless of whether any cash is received or paid.

### Accumulated Deficit

The amount by which expenses have exceeded revenues from the beginning of incorporation (1905). It is the sum of all annual deficits and surpluses plus any adjustments that were charged directly to the accumulated deficit.

### Budget

The amount presented in the Estimates.

### Debt

The term "debt" is used in a number of ways.

- **Debt (GRF)** - the total debt issued for general government purposes and for Crown corporations, net of sinking funds;
- **Total Debt (GRF)** - the total debt issued for general government purposes and for Crown corporations, net of sinking funds, plus guaranteed debt;
- **Public Debt (SFS)** - the debt of government service organizations, net of sinking funds;
- **Total Public Debt (SFS)** - the debt of government service organizations and government enterprises, net of sinking funds.
- **Guaranteed Debt** - the debt of Crown corporations and others that the Government has agreed to repay if they are unable to do so; and,
- **Sinking Funds** - the amount of money which has been set aside for the repayment of debt.

### Debt Reduction Account

This account is established pursuant to *The Balanced Budget Act*. The Debt Reduction Account is an accounting of the accumulated surpluses of the General Revenue Fund commencing April 1, 1995.

### Consolidation

The method used to account for government service organizations in the Summary Financial Statements. The accounts are adjusted to the basis of accounting used by the General Revenue Fund and then added together. Inter-entity transactions are eliminated.

### General Revenue Fund (GRF)

The fund into which all revenues are paid, unless otherwise provided for by Legislation, and from which all expenditures are appropriated by the Legislative Assembly.

### General Revenue Fund Financial Statements

The financial statements prepared to account for the moneys appropriated by the Legislative Assembly.

### Government Enterprises

Government organizations that have the financial and operating authority to carry on a business. This includes contracting in their own name, and selling goods and services to individuals and non-government organizations as their principal activity and source of revenue. Government enterprises are recorded in the Summary Financial Statements using the modified equity method.

### Government Service Organizations

Those organizations that are accountable to government and either owned or controlled by government, and are not government enterprises. Government service organizations are consolidated in the Summary Financial Statements after adjusting them to a basis consistent with the accounting policies of the GRF.

### Modified Equity

The method by which government enterprises are included in the Summary Financial Statements. The Government's investment, which is originally recorded at cost, is adjusted annually to include the net earnings/losses and other net equity changes of the enterprise without adjusting them to conform with the accounting policies of the GRF. Inter-organizational transactions are not eliminated.

### Pension Liability

An actuarial estimate of discounted future payments to be made to retirees under Government pension plans, net of plan assets.

### Summary Financial Statements Reporting Entity

The Summary Financial Statements reporting entity includes the financial activities of organizations which are accountable for the administration of their financial affairs and resources either to a Minister of the Government or directly to the Legislative Assembly and which are owned or controlled by the Government. Trusts administered by the Government are excluded from the reporting entity.

### Summary Financial Statements (SFS)

The statements prepared to account for the full nature and extent of the financial activities authorized by the Legislative Assembly and administered through government departments, special funds, agencies and enterprises.









**B20065**

University of Alberta Library



0 1620 0489 8423



Cover printed on  
recycled paper